Daily Report

Latin America

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Manley Appeals for OAS Membership Universality

FL0405223790 Bridgetown CANA in English 1909 GMT 4 May 90

[Text] Washington DC, May 4, CANA—Jamaica's Prime Minister Michael Manley today renewed his appeal for universality of membership in the Organization of American States (OAS), called on the regional grouping to create a climate to facilitate dialogue between Washington and Havana, and made specific proposals for the modernisation of the Inter-American system.

"Within us dwell the intellect, the creativity and ingenuity to overcome our differences and cooperate for the advancement of our peoples, for peace and security," he told a special session of the OAS Permanent Council here.

The prime minister said that "for Jamaica which has consistently advocated the universality of membership of the OAS, it is indeed a source of tremendous satisfaction that Canada, with which we share strong historic bonds and friendship, has finally taken its chair here. We look forward to the entry of Belize and Guyana next year and the consequent impulse to deepen Caribbean/Latin American ties of friendship and cooperation."

He added: "within this framework of dialogue in the region, I am fully in agreement with the view that this organization must create a climate to facilitate dialogue between Washington and Havana."

Manley's proposals for modernisation of the OAS include adopting and implementing a plan of action based on agreed priorities for cooperative action in promotion and protection of human rights and consolidation of democracy; fostering development of Latin America and the Caribbean through creation of a development unit, promotion of intra-regional trade and investment, and active participation in multilateral search for solutions to the external debt problem.

He also advocated Caricom/OAS coordination in efforts "to cooperate with Haiti in building and strengthening its democratic institutions and in the preparation of its people for participation" in elections there.

On the matter of drugs, he said "Jamaica welcomes the opportunity for a regional agreement on priority action for the common front which states of this hemisphere must forge if we are to win the war on drugs." But he made it clear that "the alliance of the Americas against drug abuse and illicit trafficking must be founded on the principles of international law if the war on drugs is not to become another cause for tension in Inter-American relations."

Manley fully supported the principle of non-intervention and said that it has become, for well documented reasons, "a cornerstone policy for the conduct of Inter-American relations."

Antidrug Meeting To Be Held in Brazil 18 May

PY0505140490 Lima Domestic Service in Spanish 1100 GMT 5 May 90

[Text] Spokesmen of the Peruvian Foreign Ministry have confirmed that Peruvian, Colombian, Brazilian, and Bolivian Government representatives will meet in Foz de Iguacu, southern Brazil, on 18 May.

The meeting will seek to reestablish dialogue on the repression of drug trafficking through the adoption of joint measures by the aforementioned countries.

Cuba

Castro Warns U.S. Against Attack on Island

PA0705025090 Madrid EFE in Spanish 0101 GMT 7 May 90

[Text] Havana, 6 May (EFE)—Cuban television today broadcast a speech by Cuban President Fidel Castro in which he warned that if the United States decides to attack the island, there will not be enough coffins or funeral homes in the United States to bury all the soldiers who will fall.

Castro made this statement during a speech he delivered on 28 April at a meeting with militants of the Union of Young Communists [UJC], but this statement was not made public until today.

Castro made this statement five days before the official beginning of the Cuban Shield maneuvers, which have militarily mobilized almost all the people on the island capable of wielding a weapon.

We have been preparing our people for war for ten years, Castro said. He added: Of course, we prefer not to spill our blood to reeducate (the United States).

Castro said that the crumbling of the socialist bloc in Eastern Europe beginning in 1989 has tempted the warmongering U.S. Government to try to destroy the Cuban communist regime with a military strike. This strike, the Cuban president said, would come in a treacherous way, taking advantage of maneuvers that at this moment U.S. troops are carrying out in the Caribbean to concentrate forces and attack.

The U.S. maneuvers to which Cuba has responded with the Cuban Shield maneuver are the Defex, Ocean Venture, and the Global Shield. Three U.S. Army divisions, including the 82d Airborne Division which participated in the invasions of Grenada and Panama, are participating in the U.S. maneuvers.

For this reason, Castro explained to hundreds of young Communists, Cuba must be ready to avoid being surprised and make the enemy think twice before attacking.

Readiness is our first battle. Readiness may be dissuasive enough to keep us from having to wield our weapons, and this would in itself be a victory.

In connection with this preparation, the Cuban president disclosed that during the last few years fortified underground systems have been built in Havana for troops and combat materiel in the event of an attack.

He said that the attackers would try to take the capital as a basic strategic decision, although we see no way that they can do that with the measures we are taking.

The Cuban leader added that even if no fighters were left in the capital, not even a single rock in the country could be neutralized, and then they would meet with an entire people waging war, without a front or rear guard, with hostility everywhere.

Castro said that in the first assault we could massively destroy the invader entering our fatherland, for which Cuba has modern equipment such as combat vehicles, artillery, rockets, and aircraft, including the MiG-29—all Soviet-made.

But if the attack were to become an occupation, President Castro is willing to turn the country into a wasp's nest and to return to the guerrilla warfare that brought him to power in 1959, to sharpshooter actions, and other tactics.

The shield maneuvers, commenced five days ago without an announced completion date, have meant the mobilizing of all regular Army and reserves, and civilian defense groups—called territorial militia and production and defense battalions.

The number of regular troops, reservists, and civilian combat groups has not been revealed by the Castro government, but experts estimate that Cuba may bring to war more than 3 million people out of a total population of 10.5 million.

Now, the Cuban revolution leader told the UJC members, I want you to return to your units with these ideas and put them into practice for the country's defense.

'Pleased' With Cuban Shield

PA0605153490 Havana International Service in Spanish 1401 GMT 6 May 90

[Text] Cuban President Fidel Castro is pleased with the Cuban Shield defensive maneuvers that are being conducted throughout our country to counter the three warlike exercises the United States is conducting in waters off Cuba.

On Saturday, 5 May, the chief of the Cuban revolution visited the command post of the Defense Council of Havana that is directing the participation in the defensive maneuvers of the territorial troops' militias, the state organizations, and other groups.

We are sure, Fidel said, that the Americans, with their deployment of forces, are preparing something against Cuba and we cannot allow a direct action against us to occur. He added that we are preparing ourselves so that in the event of an attack against Cuba, the Americans will do the same or worse as they did in Vietnam.

The Cuban president said that as we strengthen our defense, we continue to establish the bases for our economic development.

Says Mobilization 'Preventive'

PA0705010890 Havana International Service in Spanish 0007 GMT 7 May 90

[Interview with President Fidel Castro by Roberto Paneque on 6 May; place not given—recorded]

[Text] [Paneque] Commander in Chief Fidel Castro, we are hereby requesting an exclusive interview for Radio Havana Cuba. We would like to hear what you have to say.

[Castro] I have just visited the City of Havana command post. I am very pleased with all the work they have done and with the way this maneuver is going. It has been very useful in strengthening our defense.

[Paneque] Commander, have you visited other command posts?

[Castro] No, I have not. I have been in contact with everyone. Everyone is moving around; everyone is at his post. I have received information on what is going on. I have met with the chiefs more than once and all is going well, very well. I have heard about the response given by the people and students. I have heard that many people came out to participate in the maneuvers. I heard that the number of people who mobilized was greater than expected, greater than estimated. More people than had been planned showed up. People who were not scheduled for mobilization wanted to be mobilized.

[Paneque] Has our Cuban Shield manuever held them [the United States] back?

[Castro] We cannot really tell what their intentions are. What we can say is that all these exercises are exercises directed against Cuba. They combined two exercises that in the past were held separately. They have now combined three exercises, and that is [word indistinct]. We cannot really tell what their intentions are, but we can say that all these exercises are a practice of aggression against Cuba. If there were something else behind all this, rest assured that the measure adopted by us discourages any type of adventure. Something important we must know is that it is better to mobilize 100 times, even if nothing happens, than to be surprised once.

This has not only been a mobilization for preventive purposes; this has also been aimed at perfecting our organization. A series of new and important ideas is resulting from this maneuver. Every time we hold maneuvers we find our weak and strong points and we perfect our defense system. We cannot give them the chance to surprise us.

[Paneque] Thank you, Commander.

More Events Relating to Cuban Shield Maneuvers

Armed Forces Continue To Prepare

FL0505013390 Havana Television Service in Spanish 0000 GMT 5 May 90

[Text] The island's capital is also preparing to repel any enemy attack.

[Begin recording] [Brigade General Lino Carrera Rodriguez, chief of the Provincial Staff in Havana] [video shows general standing in front of a map] As you know, because it has been published, the enemy has deployed an unusual number of forces. It is using a number of forces and resources in three exercises which used to be conducted separately. The naval and artillery resources have been reinforced in Guantanamo Navy Base. Their means are also aimed at conducting actions in Puerto Rico. This allows them to have a number of air and naval forces and resources to take quick action.

The Armed Forces as a whole, including the Territorial Troops Militia and Production and Defense Brigades, are preparing. They are prepared and are ready to fight against the enemy if it dares to disembark on our land. [end recording]

DAAFAR Pilots Participate

FL0505021590 Havana Television Service in Spanish 0000 GMT 5 May 90

[Text] The pilots of the Antiaircraft Defense and Revolutionary Air Force [DAAFAR] also attest to the high level of combat training. For them, the Cuban Shield is our fatherland's sky which cannot be entered. [video shows pilots getting into aircraft]

[Begin Brigade General Miguel Martinez Fuentes recording] We have taken innumerable logical measures so they [the United States] cannot surprise us. They really will not surprise us. We have gone over the training each one requires and we can say we have achieved accomplishments at this time. With the enemy's exercise, we have also begun an exercise together with our population called Cuban Shield. Our troops throughout the entire country are participating in this exercise we are conducting in a very active manner.

We have intensified our combat training. We have intensified the arrangements with the reserve. In sum, we have had more training to be more effective at the time of repelling an enemy attack. That is, it is no longer possible to surprise us. There is surprise when we are not able to find out about a situation [Sorpresa se conicide cuando estamos en una situacion tal que no somos capaces de descrubir]. We are able at this time to detect the attack the enemy may launch. We believe now more than ever that the saying or the watchword our type of Armed Forces have had, which states: It does not matter if the enemy gets up early if the DAAFAR does not sleep,

is even more current today because of the real measures that have been taken and the effectiveness shown by them. [end recording]

Division General Pardo Comments

FL0405205690 Havana Tele Rebelde Network in Spanish 1700 GMT 4 May 90

[Text] We are ready to reject any form of aggression. That is the slogan used by each and every combatant participating in the Cuban Shield maneuver.

Division General Ramon Pardo Guerra, chief of the Cuban Western Army, has assessed the measures adopted for the defense of our territory:

[Begin Pardo recording] For 30 years, U.S. imperialism has been threatening us. The threat has dangerously increased at present. We have been reporting to our people that this threat has now taken the shape of military maneuvers which have begun to be carried out. These maneuvers include the deployment of many heavy forces. They have also joined various maneuvers. For that reason, we have been forced to implement a number of measures to be prepared to respond whenever necessary.

The Army's Military Council met and assessed the overall situation. We have implemented a number of measures. We decided to specify our troops' missions, to increase combative readiness, and to display an entire surveillance system, to avoid surprises. The technical equipment is certainly in safe hands. It is in the hands of our combatants and people. And our people know the reason why they have those weapons and what they have them for. That is why we should not be the least concerned. On the contrary, each one of us has his means of defense and knows how to use them. [end recording]

Navy Participation Viewed

FL0505181590 Havana Tele Rebelde Network in Spanish 1700 GMT 5 May 90

[Text] Our Navy is also participating in the Cuban Shield maneuver exercises and practices.

[Begin Rear Admiral Pedro Perez Betancourt recording] We were in the area of Playa, in Playa Municipality, jointly participating with units of the People's Navy, especially in all aspects of the maneuver on the use of different kinds of weaponry. We were able to see and observe the training and tremendous patriotic activity of all the sailors, the militia members, all the combatants; and the high combat morale of Cuban youth, which includes our combatants. We saw this high combat morale, this decisiveness, and this conviction of victory.

We would say to the people that our latest model to emulate would be the crew of the Hermann. Without any kind of weapons, the crew of the Hermann were equal to an extraordinary moment, equal to the heroes of the new nation, men who were capable of confronting the weapons of the attacking enemy, under very difficult conditions; under conditions we do not have here, since we have weapons of all kinds, large quantities of weapons, to repel any attack. [end recording]

Assessment by Jorge Lezcano

FL0505015390 Havana Television Service in Spanish 0000 GMT 5 May 90

[Text] The disposition and combat ability of the residents of the capital were confirmed today by Jorge Lezcano, first secretary of the party's Provincial Committee. During his tour, the presidents of the municipal councils and defense zones explained the development of the operations, the status of the units, the plans for the protection of the population, and the availability of weapons, among other aspects. The successful fulfillment of the missions for a quick response in case of attack was also confirmed. At the end of the tour, Jorge Lezcano told this newscast:

[Begin Lezcano recording, identified by caption as president of the Defense Council in Havana] Our assessment is very satisfactory. All the tasks we had planned for each moment have been fulfilled qualitatively and quantitatively by the municipalities' Defense Councils and by the regiments, battalions, companies, squads, and Defense and Production Brigades of all types; particularly the combat ones which are the ones for which we conducted the exercise at this time.

We are today at a stage in which we are completing the exercises. The mobilization and combat disposition of all the forces participating in the Cuban Shield maneuvers have been increased in an outstanding manner. This is being done in a very satisfactory way. We hope that tomorrow, as we include defense day which is being held early as part of the maneuver, we will have thousands of Havana residents participating in an organized manner in combat preparedness tasks, during defense day and as part of the maneuvers.

Border Brigades Follow U.S. Exercises 'Closely'

FL0405204290 Havana Tele Rebelde Network in Spanish 1700 GMT 4 May 90

[Report from Guantanamo Province]

[Text] We have been able to observe through our Guantanamo Border Brigade explorers the activities carried out by U.S. military men within the Yankee Guantanamo Navy Base as part of the Defex maneuver.

At 1616 and until 1825 yesterday, five TA-4J planes conducted bombing exercises at the Yankee Navy base firing range. The U.S. planes dropped 11 bombs.

The maneuvers included artillery exercises during which Howitzers were used to shoot at targets located at the Navy base firing range. In addition, 37 U.S. Marines conducted a shooting practice at a temporary firing range set up at the eastern end of the base. The Marines

also fixed the border fence and replaced mines along the base perimeter, among other things.

The alert and well-prepared Border Brigade combatants are closely following each movement made in the part of our Guantanamo Bay that is illegally occupied.

[Begin unidentified brigade member recording] Since 1 January 1959, we have been ready to reject any type of aggression, not only an imperialist aggression, but any type of enemy aggression. We proved that in Playa Giron, Ethiopia, and Angola, and we have proven it during these 31 years of revolution. [end recording]

Further on Exercises

FL0505183090 Havana Tele Rebelde Network in Spanish 1700 GMT 5 May 90

[Text] More evidence of imperialist arrogance has been shown [words indistinct]. Defex exercises [words indistinct] Yankee naval base. The sounding of a siren began the defense occupation phase, and then two TA-4J planes conducted bombing practice at the San Nicolas range where they dropped 11 bombs.

In the western sector they occupied defense positions at (Punta Majomilla), point 88, post 43, and Pista Tres Piedras in the west. For this they used 54 Marines, two (?Humber) vehicles, one TOW antitank missile launcher, and an M-60 machine gun, among other assets. In the eastern sector they occupied an area of Villamar District, Paul Jones Mountain, the firing range, and other points using M-60 tanks, more than 200 Marines, armored vehicles, and a TOW missile launcher.

At this time, our scouts continue to be vigilant, discovering details of the enemy's movements.

ANPP President Meets With Soviet Delegation

FL0405173790 Havana Radio Rebelde Network in Spanish 1700 GMT 4 May 90

[Report by Angela Soto from Havana's Palace of Conventions]

[Excerpt] A fraternal meeting was held a few moments ago between Cuba's National Assembly of the People's Government [ANPP] and the delegation of Soviet parliamentarians that arrived in our country yesterday. Oleg Baklanov, member of the Secretariat of the CPSU Central Committee, heads the Soviet delegation.

This morning, the parliamentarians laid floral wreaths at the monument of our national hero, Jose Marti, in Revolution Square and at the Lenin Monument in Havana's Lenin Park. Afterwards, the ANPP received the delegation at Havana's Palace of Conventions. The meeting was attended by ANPP President Juan Escalona Reguera; Cuban Health Minister Julio Tejas; as well as Colonel Arnaldo Tamayo Mendez, hero of the republic and first Cuban cosmonaut; and deputies and leaders of the Cuban communist party and Government. Dr. Escalona Reguera briefed the Soviet parliamentarians on the structure on which the people's assembly is based, as well as the rectification process in which all our people are immersed, and the progress made on the fourth congress of the Communist Party of Cuba which will be held in 1991. [passage omitted including indistinct portion]

Castro Meets With Lebanese Communist Leader

FL0505121390 Havana Tele Rebelde Network in Spanish 1100 GMT 5 May 90

[Text] Fidel Castro Ruz, first secretary of the Communist Party of Cuba Central Committee, held a fraternal meeting with George Hawi, secretary general of the Lebanese Communist Party. Both leaders reviewed the current international situation, especially the conflict in Lebanon and the Middle East, as well as bilateral relations, which are marked by mutual solidarity and a complete similarity of viewpoints. The Lebanese delegation is making an official visit to Cuba at the invitation of our party's Central Committee.

Carlos Rodriguez' Activities in Cyprus Noted

FL0405222090 Havana Radio Reloj Network in Spanish 1943 GMT 4 May 90

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has paid homage to Archbishop Makarios by placing a floral wreath at the foot of his tomb in Cyprus. After paying tribute to Makarios, Carlos Rafael and the rest of the delegation visited the Kryrcos monastery, one of the most important historic centers of the Cypriot culture.

Among other activities, the Cuban leader also met with Venezuelan Foreign Minister Reinaldo Figueredo and other Third World country representatives who arrived in Nicosia. The vice president of the Councils of State and Ministers of our country also met with Dimitris Christofias, secretary general of the Communist Party of Cyprus, and other members of that organization's Politburo.

3 Killed, 400 Contaminated in Ammonia Spill

FL0405183590 Havana Tele Rebelde Network in Spanish 1700 GMT 4 May 90

[Text] An ammonia spill caused by the derailment of two railroad tankers occurred in Matanzas City early this morning. The spill is now under control and experts are working in the area of the derailment.

The accident took place at the crossroads located on the road leading to Bella Mar Caves. Three women died as a result of the spill. By 0800 this morning, over 400 people had been treated for early environmental contamination at the Civil, Pediatric, and Military Hospitals in Matanzas City.

The measures adopted, which include the evacuation of thousands of people from Pueblo Nuevo and Playa neighborhoods, were released by Luis Alvarez de la Nuez, alternate member of the Communist Party of Cuba [PCC] Central Committee Politburo, PCC first secretary in Matanzas Province, and president of the Matanzas Province Defense Committee.

Alvarez de la Nuez added that the accident took place at 0230 when one of the tankers containing 28 tons of ammonia derailed. The appropriate organizations are investigating the causes of the accident.

It is important to stress the rapid reaction of the Cuban firemen and members of the Minint [Ministry of Interior] in evacuating the people living in nearby areas, as well as the permanent control of the gases with water jets. Similarly, hospital personnel in Matanzas came to their work centers as soon as they learned about the accident from the radio, expediting the treatment of those affected by the spill.

Classes, and work and day-care center operations were suspended in Matanzas City today.

Dominican Republic

Balaguer Says Election Polls 'Manipulated'

FL0405193790 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 4 May 90

[Text] The president of the Republic defined as psychological terror the election polls that give the Dominican Liberation Party as a possible winner of the elections. Saying that these polls are manipulated, the president made an appeal to members of the Social Christian Reformist Party not to let themselves be confused. In a speech during a march and motorcade in Cotui, President Joaquin Balaguer said to his followers that these polls are being carried out by the opposition, and pointed out that these activities are a lie and that the party he leads is on a war footing throughout the country.

Carter, Soares To Be Among Election Observers

FL0405194890 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 4 May 90

[Text] Several public figures, including former U.S. President Jimmy Carter and OAS Secretary General Joao Baena Soares, will come to this country as observers of the 16 May elections. According to reports, it has been said that former President Carter conditioned his coming to the Dominican Republic on an invitation issued by the main candidates of the political parties who will participate in the elections.

Among the observers who have confirmed their presence as observers of the national elections are (Jorge Horacio Octavo Piero) of Argentina, Mario Roberto Roldan and Gabriel Medrano Valenzuela of Guatemala, and Miguel Espinal and Alberto Lopez Oliver of Venezuela. Other countries that will observe through delegates are Costa Rica, Bolivia, Argentina, Antigua, Bermuda, and Brazil.

Gunshots Fired in Front of Pena Gomez House

FL0405180690 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 4 May 90

[Text] Jose Francisco Pena Gomez, presidential candidate for the Dominican Revolutionary Party, has had the special protection of the Dominican Secret Police since yesterday when a group of unidentified men fired several gunshots in front of his residence located at Quisqueya neighborhood in Santo Domingo.

The information on the shootout was released by Police Chief Major General Jose Ramon Mota, who ordered an in-depth investigation into the incident.

Local reports indicate that the shootout took place when Pena Gomez' wife, Peggy Cabral de Pena, was about to enter her home located on Radio Commentators Street No. 63.

Monetary Board Authorizes Debt Swap Operation

FL0405200490 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 4 May 90

[Text] The Monetary Board has authorized an operation to convert a total of $102 million of the Dominican Republic's foreign debt. This measure includes a debt swap with Venezuela, which will make it possible to reestablish the Dominican Republic's line of credit for oil from Venezuela.

In providing this information, Central Bank Governor Guillermo Caram explained that a group of local and foreign banks, along with foreign investors, have purchased $58 million of the Dominican Republic's debt to international commercial banks at 22 percent of its face value. The government official explained that the operation approved by the Monetary Board, which covers $102 million, will be honored by the Dominican Republic at a rate of 5.90 pesos per dollar.

Haiti

More on Trouillot Speech at CEP Installation

FL0405164790 Port-au-Prince Radio Metropole in French 1600 GMT 3 May 90

[Excerpts] [Announcer] The members of the new electoral council [CEP] took up their duties yesterday, 2 May. [passage omitted]

Mrs. Trouillot said she felt the installation ceremony at the National Palace was a decisive step toward the holding of elections that are to end a transition that has

truly been too long, and toward the eagerly awaited advent of a definitive government.

[Reporter Rothschild] [passage omitted] Mrs. Trouillot feels the [installation] ceremony is important because it marks a decisive step toward the holding of free and honest elections in Haiti. [passage omitted]

Although elections were in the forefront of this presidential speech, Mrs. Ertha Pascal Trouillot did not forget the popular demands, the promises to clean up the public administration.

At the end of her speech, Mrs. Trouillot also tackled the political figures and groups that she says are irresponsible, which are trying to make people believe her government lacks initiative. She said: We have it at heart to associate ourselves with the need for social reparations.

[Begin Trouillot recording] [passage omitted] Obviously, this provisional government cannot claim to have a magic wand permitting it, within a few weeks at the service of the nation, to solve all the nation's problems and remedy all its ills. One does not understand this well enough—to the point where there is a tendency developing, among irresponsible figures or groups, to believe that this government lacks initiative or is just sitting back with folded arms. Everyone knows that we wish to associate ourselves with the need for social reparations. People, however, pretend to ignore our obligatory constraint—also a certain one—of keeping to the duties and requirements of a rule of law without which court decisions, for example, would give way completely to the anarchy of settling accounts on street corners and (?in denial of) the law. These would be our (?premier) and culpable sins against this democracy that we would all like to see installed in our mores, after having written it into a Constitution that we have sworn to respect and defend. [end recording] [passage omitted]

President Chastises ANDP for Ultimatum

FL0405160790 Port-au-Prince Radio Nationale in Creole 1300 GMT 3 May 90

[Monitored in progress]

[Excerpts] ...they wish to do because of the many constraints, as well as financial problems, that they have. In her speech, Mrs. Trouillot saluted the sense of civic duty and patriotism of the members of the Provisional Electoral Council [CEP], who accepted this very difficult task of preparing elections in Haiti. The president said she expects them to exhibit the same integrity, courage, and wisdom in carrying out their task of organizing elections in Haiti. She hurled, in passing, however, a little dart at the democratic group that recently gave the government an ultimatum regarding having the electoral calendar published as quickly as possible. Mrs. Trouillot said the ultimatum had served only to knock off its hinges a door that was already open, regarding that matter, because a number of actions to do this were already under way. [passage omitted]

In her speech, Mrs. Trouillot also spoke of the financial problems the government has in connection with holding the elections. She asked for help with the logistics. The chief of state was very clear. She said that the state coffers are empty and that the government is expecting technical and financial aid from international and foreign organizations, such as the United Nations and the OAS. Mrs. Trouillot expressed the hope that countries friendly to Haiti will keep their promises to help Haiti. [passage omitted]

Mayor Suspends Capital 'Municipal Police' Corps

FL0405161790 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 4 May 90

[Excerpts] A communique from Port-au-Prince City Hall says city hall is informing the public that, as of the date of the communique, 3 May, the municipal police corps is closed for reorganization. This police corps, which is provided for in City Hall's Organic Law, is a nest of undercover detectives [attaches] who cause problems instead of helping implement order as they should. City hall asks everyone belonging to that corps to contact the personnel office before 7 May to find out what decision has been reached on each individual case. City hall continues to count on the entire population's collaboration with the policy of openness that it is conducting.

This communique is signed by Mrs. Irene Ridore, president of the communal committee of Port-au-Prince. [passage omitted]

This decision comes just a few days after a number of armed individuals entered Port-au-Prince City Hall, apparently to attack the magistrate. One of the men was arrested and turned over to the Cafeteria [police post on Boulevard Jean Jacques Dessalines], which released him 30 minutes later, according to information from city hall.

New Political Party Holds First General Assembly

FL0705121190 Port-au-Prince PANORAMA in French 27-28 Apr 90 No 6,680 pp 1, 4

[Excerpt] Delegates from all over Haiti, active supporters of the National Renaissance Movement [Mouvement pour la Renaissance Nationale], whose acronym is Morena, met officially and for the first time Wednesday afternoon, 25 April, on the airport road at the grass roots of the party.

This grand general assembly held in the presence of members of the press, political figures, government officials, and friends and sympathizers of the party, was for the leaders an important step toward setting in place the party's structures. Morena's leaders [General Felix Badio, Serge Seraphin, and Leslie Maximilien] declared, in substance, that the party is one without demagogy that will take into account the aspirations of the masses.[passage omitted]

Representative Speaks on Lome Benefits, Elections

FL0405174290 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 4 May 90

[Italicized passages are in French]

[Excerpts] A representative of Lome has been visiting Haiti for a few days. Upon departure yesterday, he talked to the press to explain under what conditions Haiti can benefit from the advantages of Lome.

And what was said? Haiti has already signed the agreement to be a part of Lome IV. To become a member, however, is one thing; to benefit properly from the advantages, another. One of the first conditions necessary for Haiti to benefit from all the advantages of the Lome [Accords]—$150,000 dollars (?over) five years—(?that is,) like all the other member countries of Africa, Asia, and the Caribbean, Haiti must establish democracy in its territory. Thus said Henri Saby, vice president of the Lome Accords parliament at a news conference in the diplomatic waiting room of the airport yesterday morning, 3 May.

Why democracy? Saby said Lome cannot take money and waste it in places where there is a lot of insecurity and turbulence.

[Begin Saby recording] [passage omitted] *My experience with all the world's countries clearly shows me that those countries whose politics are stable are the ones that reap the maximum benefits from the advantages available from the Lome Accords. And the countries in which there is political turbulence, well, automatically we cannot [words indistinct]. I mean, it is not the community's fault. When you have a program with financing scheduled—private or public Haitian, or European financing—and when companies have been vested to do the work, if there is political instability, if we cannot work, if there is insecurity, well, obviously, the project does not get carried out. And the money available for it cannot be used.* [passage omitted] [end recording]

In addition to democracy, for Haiti to benefit fully from Lome IV, there must be leaders and competent technicians to conceive, study, prepare, and present serious programs and projects in keeping with the country's needs. There must also be collaboration with the population that is going to benefit from these projects. [passage omitted]

Before all this, the Lome representative came to take a look at the political situation, a situation which he said was not too bad compared to the situation in 1987. In 1987, neither the military government nor the Army was in favor of democracy and the population was not organized. In 1990, the Army is credible, General Abraham has the security situation well in hand, and there is agreement among diverse sectors. The Lome representative feels this is sufficient for Haiti to hold proper elections.

[Begin Saby recording] *I have been to Haiti on several occasions, four times, and I was present during the November 1987 elections. I was also here on 1 January 1989. What did I see? I saw that there was an attempt to set in place (?what) the Haitian people had chosen, their Constitution—that is, a rule of law, with a parliament that legislates; a government that applies the laws; and a population that is involved, that assumes responsibility, and whose conditions are evolving in the right direction.*

All right. Now, what do I see today? I see that the conditions for these elections to go the way they should are the best they have been. Why? Well, take 1986, for instance. In 1986, I saw—as an observer, of course, for I do not meddle. The Haitian people's life is its own business. Because I was present, however, I saw, back then, that the government was against it [not further identified]; that the Army was against it, did everything it could to prevent it from existing; that the population itself was not all that [word indistinct]. Take, for example, the Christians: half of them were in favor of it and the other half against. All of these were negative elements that led to what you know occurred.

How are things today? Well, today I see that the government is in favor of it. I had an important meeting with Gen. Abraham and I can say, today, that he is remarkable—a man of intellectual integrity and of unquestionable integrity, who affirmed to me that he was capable of conducting the electoral process within the necessary security; and that consequently, the Army was to become the Haitian people's Army, with all its pride, and not what it has been up to now. It is true that it is difficult. But I say that, objectively, conditions have never before been so favorable. [end recording]

Henri Saby, who is a deputy in the European Parliament, president of the committee for development cooperation within the European Parliament, and first vice president of the round-table assembly of the ACP/CEE [Africa, Caribbean, Pacific/European Economic Community]—which means the parliament of the Lome Accords—has been in Haiti since 30 April. He left yesterday, 3 May. He is to return on the eve of elections as an observer.

Jamaica

Statistics Institute Reports Increase in Exports

FL0505192090 Bridgetown CANA in English 1644 GMT 5 May 90

[Text] Kingston, Jamaica, May 5, CANA—Jamaica's exports have been rising. The Statistical Institute of Jamaica [Statin] reports that total exports for 1989 amounted to US 970.4 million dollars. This was a 16.4 percent increase over the 1988 figure of US 833.5 million dollars.

In its annual review of the Jamaican economy, Statin said earnings from traditional exports such as sugar and bauxite in 1989 rose by 21 percent over the 1988 figure

of US 562 million dollars. Statin said that was due mainly to a 38.3 percent rise in alumina exports. Jamaica exported 1.6 million tonnes of alumina in 1988. Alumina exports alone represented 63.3 percent of the total exports last year compared to a share of 79.6 percent in the previous year.

There was also a 19.9 percent increase, up from 3.4 million tonnes in 1988, in bauxite exports. Rum exports were up 17.2 percent and exports of bananas rose by 22.4 percent. Non-traditional exports grew slightly by .6 percent over the 1988 figure of US 248.8 million dollars.

UN Envoy Criticizes U.S. Antidrug Measures

PA0605030690 Madrid EFE in Spanish 2109 GMT 2 May 90

[Text] United Nations, 2 May (EFE)—Jorge Montano, the Mexican ambassador to the UN, stated today that Mexico believes it is a contradiction for the United States to take actions against drug traffickers that are totally against basic norms stipulated by international law.

At the UN Economic and Social Council's meeting, Montano criticized the U.S. Supreme Court's 28 February decision authorizing U.S. agents in foreign countries to carry out raids, confiscations, and gather evidence.

The Mexican Government considers this decision an authorization to commit acts that violate other countries' sovereignty, Montano added. He said that a country's sovereignty or territorial integrity are not subject to discussion or opinion.

The only way to carry out this difficult and unequal battle against drug traffickers, he added, lies in a legitimate and constructive collaboration based on respect for the sovereignty and identity of nations.

On 11 April 1990, Mexico became the 14th country to ratify the UN convention against the trafficking of illegal drugs. In addition, Mexico has signed 10 bilateral agreements on drugs in the past three years.

The Mexican ambassador asserted that during the 16 months of President Salinas' administration, the Mexican campaign against drug trafficking has reported significant results.

Montano concluded his statement by making an appeal for respect, cooperation, and assistance to all the countries that are affected by drug production, transit, or use. He warned, however, that no country can impose on other countries its solutions to problems.

President Proposes Privatization of Banks

PA0505035690 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 3 May 90

[Text] The presidential proposal to reform Articles 24 and 123 of the Constitution, which was received by the Congress of the Union this morning, calls for the restoration of a mixed banking and credit system.

Among the fundamental reasons given for this initiative is that the Mexican people should no longer tolerate an ownership-oriented state with considerable resources invested in banks, while the country suffers widespread needs and a lack of urgent basic social requirements.

The initiative establishes a few practical ideas for the improved functioning of the national banks:

1. The state does not propose to be the leading shareholder at every banking institution.

2. The state will, nevertheless, maintain its participation in commercial banks and will strengthen institutions involved in specific activities, such as Nafin SA [National Finance Bank, Inc.] the Foreign Trade Bank, and Banrural.

3. Banks will be open to society and will broaden participation in their facilities to include a larger number of Mexicans.

4. The rights of bank workers will not be affected in any way.

It is a matter, the presidential proposal states, of restoring the mixed system in bank ownership and activities so the state can better fulfill its duty of attending to those who have the least, and of modernizing the banking sector for society's ultimate benefit.

The resources obtained from the sale of state bank assets will contribute to strengthening the country's economic stability. The release of these resources will make it possible to continue reducing the fiscal deficit, easing the burden of the domestic debt, and consolidating economic recovery.

The presidential initiative also offers basic arguments as to why the banks should be reprivatized:

1. Circumstances have changed, and so has the model of development that justified the banks' changeover to state ownership eight years ago.

2. Mexico is currently better prepared to foster economic growth with increased equality and participation in world transformation.

3. The true beneficiaries of this change will be the Mexican people.

The initiative also analyzes three thoughts in depth:

1. The urgent need to focus state attention on meeting the people's needs in a timely fashion and on improving their social welfare.

2. The profound changes the country is experiencing in such areas as social reality, economic structure, the state's role, and the functioning of the financial system.

3. The need to improve on the banking and credit services offered the people by avoiding subsidies, privileges, and abuses.

The presidential initiative explains that the banks should not at any time fail to fulfill their settlements and pledges to the country, and that the state will not, under any circumstances, lose its economic leadership or stop administering the commercial banks' contributions to the country's development through the National Banking Commission.

Costa Rica

Minister Says U.S. Maneuvers 'Not a Threat'

PA0405202890 Mexico City NOTIMEX in Spanish 1942 GMT 4 May 90

[Text] San Jose, 4 May (NOTIMEX)— Rodrigo Madrigal, the Costa Rican foreign minister said today that the U.S. military maneuvers in Guantanamo, Puerto Rico, and the Caribbean "are not a threat" to Cuba or Central America.

Madrigal, whose term expires on 8 May, said that "what creates more tension in the area is not being able to get the armed rebel groups, like the Farabundo Marti National Liberation Front in El Salvador, to negotiate."

Madrigal belittled the importance of the "Defex" military maneuvers being conducted by U.S. troops at the Guantanamo military base in northern Cuba and the maneuvers in Puerto Rico, which include the use of B-52 strategic bombers.

El Salvador

Cristiani on Date of Government-FMLN Meeting

PA0705045390 Panama City ACAN in Spanish 2301 GMT 6 May 90

[Text] San Salvador, 6 May (ACAN-EFE)—Salvadoran President Alfredo Cristiani said today that the date and place for a direct dialogue between his government and the guerrillas will "probably" be set next week.

The president made this announcement after participating in a Soldiers' Day celebration at a San Salvador stadium. He reiterated his willingness to continue trying to find a negotiated solution to the war with the mediation of UN Secretary General Javier Perez de Cuellar.

Cristiani said in front of members of the Armed Forces high command, the diplomatic corps, and citizens that the conflict must be resolved politically and not militarily and that for this reason his government is in favor of the mediation of the UN secretary general.

The Salvadoran president said that Perez de Cuellar's representative, Alvaro de Soto, will visit the country next week "probably" to set a date and place for the "direct" talks to take place between his government and the Farabundo Marti National Liberation Front [FMLN].

De Soto met with Cristiani last week and handed him an FMLN proposal for a dialogue that would also include the National Dialogue Commission, the leaders of all the political parties, and the archbishop and the auxiliary bishop of San Salvador, Arturo Rivera Damas and Gregorio Rosa Chavez, respectively.

Following the ceremony to commemorate Soldiers' Day, in which political leaders and military commanders took part, the president participated in a military ceremony during which several officers were promoted within the framework of "routine" military promotions, as military sources termed it.

Cristiani said that during the military offensive launched by the guerrillas in the capital and other large cities in November 1989, the Armed Forces "knew how to defend the fatherland in a capable and professional way."

In his speech, Cristiani stated: "This is homage in praise of the soldiers who died in defense of the fatherland, peace, and democracy."

On 'Immoral' Attitudes in Army

PA0705044490 Paris AFP in Spanish 2336 GMT 6 May 90

[Text] San Salvador, 6 May (AFP)— President Alfredo Cristiani admitted today there is still "much work to be done" to "eradicate the arrogant, arbitrary, and immoral attitudes in the Army" in El Salvador.

During Soldiers' Day celebrations, the president called on the military men to support the dialogue and negotiating process between the government and the guerrillas.

During the celebrations, which took place in the Flor Blanca city stadium, the president promised to improve human rights in El Salvador and said that "all levels of the Armed Forces command will continue working hard until they wipe out arrogant, arbitrary, and immoral attitudes in the Army."

"We are pleased with the Armed Forces' constant progress in terms of respect for human rights, which is one of the conflict's most critical and sensitive points, although we understand that there is still much to do," the president emphasized.

During the celebration, Cristiani decorated several soldiers who fought during the 11 November guerrilla offensive, reminding them that "peace is everyone's responsibility."

"If we want peace, let us truly work for it. Let us put aside ideological sectarianism and dogmatism to facilitate peace. It is imperative that all Salvadorans open the road to reflection. This is true for both civilians and soldiers," Cristiani said.

In confirming his intention to continue the dialogue with the Farabundo Marti National Liberation Front (FMLN), Cristiani said that "the government and political parties have reached an agreement to work to strengthen the dialogue process," in which UN Secretary General Javier Perez de Cuellar is taking part.

FMLN, Political Parties Meet in Mexico 5 May

PA0505025590 (Clandestine) Radio Venceremos in Spanish to El Salvador 0029 GMT 5 May 90

[Text] We have a very important announcement to make. This Saturday, 5 May, the delegation of the FMLN [Farabundo Marti National Liberation Front] will meet in Mexico with delegations of all political parties. The meeting has an open agenda for discussion, but the main subject will undoubtedly be the integration of the political parties into the negotiating process.

We believe that the establishment of the Interpartisan Commission and its meetings with the government and the FMLN will be a driving element in the negotiations. The government should promote these meetings by creating economic assistance programs for the political parties so that they communicate more frequently. Moreover, the government should allow this type of meeting to take place in San Salvador.

Everything that helps speed up the negotiations should be supported by all parties to the conflict if there is a real political desire to end the war through dialogue and negotiations.

Dialogue Called 'Productive'

PA0705043490 Paris AFP in Spanish 2159 GMT 6 May 90

[Text] Mexico City, 6 May (AFP)—The dialogue between the nine Salvadoran political parties and the guerrilla leaders in the Mexican capital was "productive" and allowed an exchange of opinions on the peace process, some of the participants explained.

Several Farabundo Marti National Liberation Front (FMLN) commanders took part in the meeting that ended at daybreak today. They will meet here again on 8 May with Salvadoran social forces.

Among the topics discussed, the politicians (several of whom returned today to San Salvador) listened to the peace proposal the FMLN will discuss with the government during the first half of May, under UN mediation, in the Venezuelan capital.

It was agreed to establish a permanent consultation mechanism with the FMLN and to have another meeting similar to this one during the second half of May, following the FMLN meeting with the government.

FMLN Commander Jorge Shafik Handal said after the meeting ended that law and civilian society must prevail and for the past seven years the insurgency has been expressing the need for the parties and social forces to join the dialogue and negotiating process, "which is now becoming a reality."

MNR's Ungo Interviewed on Dialogue

PA0405231290 San Salvador Radio Cadena YSU in Spanish 1800 GMT 3 May 90

[Interview with Guillermo Ungo, secretary general of the National Revolutionary Movement, MNR, by Carlos Mario Marquez and Julio Rodriguez; place not given—live]

[Text] [Reporter] Dr. Ungo, let us break the ice. We would like to know about the Interpartisan Commission's resolution regarding a meeting proposed by the Farabundo Marti National Liberation Front [FMLN] for 5 May in Mexico City. Is there a specific resolution yet?

[Ungo] The FMLN invited each one of the Interpartisan Commission's member parties and made that invitation public. We have already expressed the unanimous approval of all the political parties, in principle. I say in principle because there are some specific technical and even political aspects that are still pending discussion, including the place and date of the meeting.

The meeting has been proposed for Saturday in Mexico City. It will probably be in the Federal District or on the outskirts. We are still discussing various aspects that prevent us from giving a definitive approval to this meeting on the proposed date and place.

I believe that all political parties will meet, or will have an opportunity to meet, with Mr. Alvaro de Soto, the UN secretary general's personal representative or the intermediary and mediator. This will allow us to learn a little more about the dynamics of the dialogue-negotiation between the parties involved, namely, the government and the FMLN.

[Reporter] Dr. Ungo, will the FMLN hierarchy be represented in this meeting? Is there already an agenda to be discussed in this meeting that might take place Saturday?

[Ungo] It was an open invitation. We do not know who the FMLN officials might be. I received the invitation in my capacity as the commission's coordinator for this week and was told that General Command members would be involved. Each party of the Interpartisan Commission has already appointed representatives to this meeting. I must say that they will be represented at the top level, because their secretaries general or presidents will represent them.

[Reorter] What topics will be discussed?

[Ungo] I am glad you asked that. There will be an open agenda. This implies that the FMLN will explain its position and proposals, especially for this initial phase of the negotiation process, including political agreements and the suspension of hostilities and all actions from either side that adversely affect civilians. Those are things that the FMLN will have to explain.

We are interested in letting the FMLN know what we think our role in this should be and also what our position is. We would also like to talk a little about the

progress being made within the Interpartisan Commission. I believe that we will have an opportunity to express our views within the Interpartisan Commission and also as individual political parties, because in the sections of our agreements dealing with our relationship with the parties involved, the political parties that compose this interpartisan body recognize the freedom of each party to maintain bilateral relations with the government, the FMLN, and the UN secretary general or his personal envoy. In sum, I believe that this meeting will allow us to discover some points of agreement and disagreement.

[Reporter] Dr. Ungo, based on what you have told us, this meeting will solely be to sound out the positions of each party. Have you received resources from the government, or will you use your own resources?

[Ungo] This is pending a discussion. The political parties have a responsibility and role to fulfill, and this implies costs that they must assume. However, in my personal opinion, and speaking as secretary general of my party and not as coordinator of the Interpartisan Commission, the government also has a responsibility. To meet with the government we only need to put some gasoline in our vehicles and drive to the presidency, because we have a smooth relationship.

However, regarding the FMLN, the government has ordered that the dialogue take place abroad. At least in this initial phase, the government has refused to allow an FMLN delegation to enter the country, although I believe that this would be the most normal and advisable, because there are guarantees with regard to the obligations assumed by all the parties involved on the confidentiality of the process, guarantees that this should not be used as a propaganda show.

This has created an unequal relationship. In other words, it is easier to exchange views and information with the government than with the FMLN. It is also costly to do so with the latter. We hope the government will show goodwill by ensuring that even those parties which are facing difficult economic conditions will not be prevented from attending this meeting for that reason.

[Reporter] Changing the subject slightly, but always within the issue of the peace efforts, the Armed Forces have rejected Colonel Ochoa Perez' statements and his reaffirmation of these statements upon his return to the country, in addition to the statement by some junior officers. What is the MNR's political view of this fact, and the fact that President Cristiani has also rejected Col. Ochoa's statements?

[Ungo] There is a very famous phrase, a saying, that goes: Where there is smoke, there is fire. Or like the phrase in one of Shakespeare's famous plays, Hamlet, when he said: Something is rotten in the state of Denmark, referring to incidents at his castle in Denmark. I believe all this indicates that things are happening and that there is some willingness, especially by the U.S. Government in Washington, to try to correct a policy that is obviously wrong and has failed. Therefore, it is necessary to find ways to gradually end a war that has no boundaries, an indefinite war, the so-called low-intensity conflict, and to gradually search for a negotiated political solution.

I believe the problem is that some sectors do not want to lose power. The low-intensity conflict is a war under control, a controlled and restricted war. The Americans probably want to have a negotiation under control; in other words, a controlled and restricted negotiation. This means there is already local and foreign awareness that something is rotten in the Armed Forces, which is not surprising. This may happen at all institutions. There are always good people, and there are also people who corrupt their institutions.

The issue now is to correct that. We are observing how military changes are taking place. In the past few weeks, we have been listening to opinions, reports, and rumors about things that have happened, about U.S. television programs that have been filmed, and of statements that have been made and other statements that have been censored because they involved high-ranking officials.

A few weeks ago I was in Washington and there, in various circles, including official circles in Washington, groups were mentioning the full names of high-ranking officers who are allegedly involved in blacklists and who should be removed from their political-military posts. All this evidence indicates that there is a desire to change things. It would be interesting to know whether things will change, so the main issue remains unchanged; in other words, if changes will be made to preserve things or to improve them, as the slogan used during President Cristiani's electoral campaign said. We will have to see if President Cristiani wants to make changes to improve the military institution, and whether or not he can change it to improve the institution. Thus far, what we have seen today, when we read about transfers, particularly that of Colonel Roberto Mauricio Staben to Honduras, is that the mountain gave birth to a mouse. In other words, the superpower is exerting all its pressure to obtain an award-punishment, or a punishment-award, because I do not know yet what this is, if it is an award-punishment or a punishment-award to send Col. Staben from Ahuachapan Department to Tegucigalpa. I do not know where he will be better off, abroad or where he is now under unfavorable conditions. That does not seem to be a decision showing a real desire to clean up and improve dirty things.

Also, we heard on various radio stations and various news agencies, among them YSU, a communique issued by young Armed Forces officers who are trying to regain the constitutional nature and the prestige and honor of their institution.

In this sense they have demonstrated that there are things that do not smell too well in that institution. As I said earlier, this goes to show that there is no smoke without fire. I think it is difficult to determine what is

really happening and to what extent those changes imply a self-purge of the Armed Forces.

I am concerned about one thing. It is that this might signify coercion—not freedom—of expression; it is an attempt to reduce the media's room for action. I have the impression that this is not being received well by the military sectors. This could really signify a threat. I learned recently that a television station has had its information corrected. I hope this will not make it the object of pressure or threats.

[Reporter] Naturally, the media play an important role. At this time, when the country's democratization is beginning, or steps are being made in that direction, how do you view the role being played by the newspapers, radio, and television, especially in the role of orienting and generating debate in the country?

[Ungo] This process has been going on for several years. It is a process of technical and professional improvement of the media. I would say that it basically involves the television and radio media. I do not think the development is balanced, especially in terms of the substance, professionalism, and contribution of these media and the written press to the country's democracy. I believe that is due partly to the government, but perhaps to a minimum extent. I believe that the governments are trying to be tolerant, sometimes with intolerance, pardon the contradiction, but very rarely are they promoting this development.

I think this has to do with the rules of the game, a certain interest of the businesses themselves, and the competition, which forces them to give the people what they want. One must also take into account the technical ability of the owners, and particularly the workers and journalists, who have contributed their share. In connection with this, I can remember that one of the things the Duarte government boasted of—there were not many things, I think—is that there was broad and unrestricted freedom of the press here. In the new Arena [Nationalist Republican Alliance] government, there have been some negative indications. Several times, when some of us have touched upon this subject, President Cristiani pointed out that the presidential palace never issues instructions to apply pressure for self-censorhip or censorship. I hope that what the Armed Forces commander says can also be valid for Coprefa [Armed Forces Press Committee], in which we have generally found much more intolerance and manipulation, and which truly promotes a war of counterinsurgency more than a political negotiation.

[Reporter] Changing over to a different subject, Dr. Ungo, a change in the U.S. policy toward our country has been observed recently. The military aid cut is already a part of this new policy. What do you think about this? Do you think this contributes toward peace?

[Ungo] Well, the government, as part of its propaganda, has countered by saying that this cut is not definitive, that this is an important committee's decision, but that a number of procedures have yet to be taken. This is true. What will be the final result? Whether the cut will be 50 or 25 percent or will be delayed until next year remains to be seen. The truth is that there is a clear trend in the U.S. public opinion, which U.S. Secretary of State James Baker himself has had to assume; this is, that things must change. The military aid will gradually be cut and have conditions put on it, either tomorrow, the day after tomorrow, or in three or six months. I think this points to what I said before. The United States is gradually dismantling the structure of the low-intensity war and gradually moving in the direction of a negotiated solution. There is no longer room in the world for long wars. The United States does not want to be involved in El Salvador any longer. This is already an opinion not only of the Democrats, but of the Republicans as well. Not only that, the most conservative Republicans have said much more openly that it is necessary to get out of here and go to a place they now regard as more important, Eastern Europe. All of these are good signs. The key point is how far this will truly permit a process of true change, not one of appearances.

[Reporter] How will the current government, especially the country's right-wing groups, react to a U.S. cut in aid so that we can make progress toward a negotiation?

[Ungo] There are versions and rumors, which indicate there may be two different behaviors. The first one is that the government will try to reduce certain social expenditures; therefore, this will hurt the people more. President Alfredo Cristiani announced it himself. He said that if a reduction in military aid took place, the government would reduce expenditures in the areas of health and education and would allocate more money for war. It has been said that military officers have asked the chiefs of staff to draft alternate plans to see if other countries such as Israel could provide the weapons. They want to do what the Guatemalans did many years ago.

I do not believe this is the correct solution. As a matter of fact, it is no solution at all because it is impossible. There is no other country in the world that can supply the country as the United States has done. Those countries are also unwilling to do it. In the past the Israelis may have wanted to do it with Guatemala, but today the Israelis cannot politically afford it because the main source of revenue for the Israelis is the United States. Therefore, when the pattern begins to change, the rest must change as well. That is why we see that, even though there are supposedly more right-wing presidents in Central America, such as the current Honduran president, they are playing a more positive role in favor of a negotiation in El Salvador.

The other road—and we have seen signs in that regard—is the army's decision to accept and to seek a negotiation. They can accept that the president is the one who must conduct the negotiations and make the necessary decisions. They must accept the future reduction of the army from 50,000 to less than 20,000 or 15,000, as it was 10 years ago. They can seek ways to preserve the institution

but also recover the true nature of the army as stated in the constitution itself. We have seen this in the statement released by the Armed Forces.

Therefore, we are looking at two different, contradictory behaviors, and we will see which one prevails. I have the impression that the signs are favorable and positive, because we cannot live in the past. Those who say the changes in Eastern Europe are positive say we should no longer cling to the past. That is the great challenge and the great dilemma.

I have heard top military officers talking very naturally about a purge in the Armed Forces, as these alleged communiques have been saying. Today we have heard about these communiques issued by the military, but specific people have talked about the need for a purge. Of course there may be differences, but a purge with rewards would be useless. We have lived through it for the past 40 years and it has been useless. I have also listened to opinions inside the military institution calling for a separation of the military duties from the public security duties, which should be in the hands of civilian bodies.

[Reporter] I have another question. A few moments ago, President Cristiani termed the most ridiculous communique he had ever heard from the FMLN the one in which they justified yesterday's military actions. He termed them propaganda-oriented. Within the framework of the negotiations, how do you view this?

[Ungo] In my opinion, the FMLN communique has aspects that are interesting and others which I think are not valid. The time and opportunity of that action is ambivalent. I think it has negative effects, as well as positive effects for them. There is always the famous vicious circle wherein if the FMLN ceases to act militarily, it is bad for the FMLN because it shows a sign of weakness. If it acts militarily it is also bad, because it shows that it does not want peace. In this sense, I think there is no doubt that it has exhibited a show of force, that its actions have been strictly propaganda-oriented or with propaganda objectives. It does not cease to create difficult conditions that generate a negative reaction on the other's part, if they want to sit down and try to ease confrontations as much as possible and seek an agreement as much as possible. I believe, as I told President Cristiani on the telephone yesterday when we spoke of other things but touched on this topic, that I uphold the government's thesis. We have always criticized the fact that when negative things occur, they are invoked to suspend a process which in our opinion should be continuous. We have always upheld the continuity of the dialogue. The government criticized the FMLN when on two occasions it suspended the dialogue due to terrorist actions on the part of the government or security corps. The dialogue and negotiation process has suffered as a result of this. I believe that in this case the government should take its own medicine. It should maintain the continuity of the process and not use as a pretext the FMLN military actions to try to seek ways of conditioning or perturbing a process of dialogue and negotiation, which involves not only the government and the FMLN, but the political parties and social forces as well.

[Reporter] Dr. Ungo, in that sense the government had announced through President Cristiani that the dialogue would be resumed on 3 May. Subsequently, the UN secretary general's envoy announced that it would be the first part of May. Don't you think that too much time is being spent without being able to agree on summit meetings that will permit securing agreements?

[Ungo] I have a very positive analysis of how the process is developing in this first phase, judging by the conduct on the part of the government and the FMLN. I think there has been a delay, but I think it is a delay that improves the possibilities and conditions. Apparently the times were marked by haste and precipitation for the FMLN to present a proposal. Also, there was a very short time for the government to prepare its response and hold a bilateral meeting later. At the same time, it left a very narrow margin of influence to the political parties and social organizations.

President Cristiani himself convened the political parties to explain to them what the situation was and how he viewed the role of the parties. The parties have their own concept of their role and have been working arduously and responsibly. In two weeks they held four prolonged, high-level meetings, two per week. We want to do the same thing with the FMLN. I believe that the period of two to three weeks to one month, since the Geneva agreement was signed, has been positive. If we had hurried things up, perhaps the possibility of achieving results would have been affected. What happens is that all of this gives way to somewhat pessimistic evaluations, because the confidentiality was violated by President Cristiani. I have been told that these things are part of a private, confidential aide-memoire that was agreed to in Geneva between the two top leaders of the FMLN and the government delegation with UN Secretary General Perez de Cuellar's representative.

Therefore, we did not know about these matters until President Cristiani disclosed them. They are included in the confidential aide-memoire. The term is confidential. However, it is no longer confidential because everyone knows about it now. Nevertheless, I have an optimistic and positive attitude. The FMLN already presented its position. We are not aware of its content. This opens up a possibility for progress.

[Reporter] Despite all this, could this year be considered the year of peace for El Salvador?

[Ungo] I prefer to call it the year for peace. I am not sure. I really believe the situation has improved. There are better conditions and prospects for negotiation. However, this is not an irreversible process, and it is not an easy or quick process. I think that those who believe that it is possible to hold a negotiation at this time, tomorrow, in the short run, have wrong perceptions in

two aspects: They believe that this can be done because either the FMLN or the government is weak. I believe such an assumption is false. [Words indistinct] is not in a weak condition to present the other party with a cheap negotiation. Second, there could be another mistaken perception. They believe there is little to do to accomplish peace and democratize the country. I believe that is not true. There are many political conditions that need to be modified and improved to accomplish a ceasing of hostilities.

Therefore, to me, it would be sufficient if we accomplished some progress. If we had a dialogue with negotiation, that would help us accomplish enough progress so that next year can definitely be a year of peace.

[Reporter] Doctor, we are running out of time. However, in this dialogue process, President Cristiani asked all sectors to be flexible. The people in general are closely following this situation. What should they do at this time?

[Ungo] I believe people are becoming more aware each time. They are tired and have been hurt by the war. They have become more aware of their role. I believe that it is through the various expressions of the organizations—beginning with the most basic, such as the family, parent's organizations... [changes thought] In sum, all social, cultural, and political organizations should participate in various ways. I firmly believe that among the military and the guerrillas for example, their own relatives are the first ones who have the role of influencing them. To end the war as soon as possible is a historical and vital need. I think that to do this, people have to be knowledgeable and interested, and not let us politicians, the guerrillas, or military solve the problem. This is a problem that affects all of us. We can contribute to a solution in various ways by promoting a climate of peace and reconciliation and then searching for an understanding.

Carlos Mario, I would like to conclude by saying that if we truly want peace, we can attain it soon. A military solution will not be accomplished, not even with five more years of war. It also has no political feasibility. Therefore, if we want a solution through a negotiation, the country's main characters will continue to exist—those we call the oligarchy, the army, the guerrillas, the main political expressions from the center, the democratic left wing, the Marxist left wing, the right wing—we will all be there. Therefore, not one of the sectors can be excluded. The important point is to change and modify positions [words indistinct] militaristic or negotiating positions. We should then search for a solution, sacrifice, and postpone objectives and dreams. We should let all sectors receive something, but at the same time all sectors should make a sacrifice.

UN Envoy Meets With Political Leaders

PA0405195990 San Salvador Canal Doce Television in Spanish 1900 GMT 3 May 90

[Text] On his second day in El Salvador, Alvaro De Soto, special UN envoy in the peace negotiations, began a number of meetings with political parties this morning. After meeting with De Soto, Ruben Zamora, leader of the Social Christian Peoples Movement [MPSC], said the meeting was useful because it contributed to the search for peace.

De Soto held several meetings with leaders of the opposition and the government. Because of the confidential nature of the meetings, we were not permitted to interview Dr. De Soto, who met for 90 minutes with MPSC leaders Ruben Zamora and Jorge Villacorta at a local hotel. Zamora said the meeting was very useful because of De Soto's receptiveness.

[Begin Zamora recording] It has been a positive meeting. I saw that De Soto wants to speak with all parties and sectors so the United Nations can be in the best position to help us in the negotiations process. I think this is positive. [end recording]

The leftist leader called for solutions leading to peace. He also explained his party's position to the UN envoy.

[Begin Zamora recording] We explained our party's position and our desire to attain peace through negotiations as soon as possible. We also told De Soto of our party's support for the UN efforts and that we totally agree that these efforts should remain confidential. [end recording]

After meeting with the MPSC leaders, Dr. De Soto met with Armando Calderon Sol, president of the Nationalist Republican Alliance and Roberto Angulo, vice president of the Legislative Assembly. They said efforts would be made with De Soto to find a general consensus among the parties.

Comments on Talks, Departs

PA0705140290 San Salvador Canal Doce Television in Spanish 0300 GMT 5 May 90

[Text] Special UN envoy Alvaro de Soto said before leaving our country this afternoon that the direct dialogue between the government and the FMLN [Farabundo Marti National Liberation Front] will be held in mid-May, according to his talks with the rebels, President Alfredo Cristiani, and the political parties.

De Soto, who is the personal representative of the UN secretary general, said today before leaving for New York that there is a possibility for a direct dialogue between the government and the FMLN in mid-May, but he did not mention any specific place where they might be held. De Soto described as encouraging the various meetings he has held in the last few days with President Cristiani, rebel commanders, political parties, and the official dialogue commission, among others.

[Begin recording] [Unidentified reporter] How do they perceive the next dialogue process?

[De Soto] I perceive a climate in favor of peace, of negotiation, and of a political solution to the conflict in El Salvador virtually everywhere. [end recording]

De Soto referred to recent military actions by the FNLN, which were harshly criticized by President Cristiani, and asserted that the agreement reached in Geneva on 4 April was not a cease-fire agreement.

[Begin De Soto recording] It did not signal per se an end to the war. I did not come here with the illusion that my arrival would in itself silence the guns. Ending the war is perhaps one of the central objectives of this whole effort, and I think this is what Salvadorans want the most. However, the initial objective foreseen in the Geneva agreement—in the second paragraph of clause 1 of the agreement—is specifically aimed at reaching an agreement on ending the armed confrontation and all activities not respecting the rights of the civilian population. I think that the goal is to restore calm as soon as possible, but this is not a condition for carrying out the process. [end recording]

De Soto confirmed that he delivered to President Cristiani a proposal from the FMLN on the negotiation process. He pointed out that there has been no response so far from Cristiani; therefore, he will return to El Salvador next week. He also noted that this negotiating process is flexible and that for this reason none of the two sides should be blocked from presenting proposals. Finally, he denied having met with military authorities during this last visit.

Coprefa Announces Changes Within Armed Forces

PA0405165390 San Salvador LA PRENSA GRAFICA in Spanish 3 May 90 p 3

[Text] The Armed Forces have announced changes, the most important of which are Colonel Fernando Menjivar Campos' promotion to National Navy Commander and Colonel Mauricio Roberto Staben's transfer to Honduras. The Armed Forces Press Committee [Coprefa] official spokesman said that since normal diplomatic relations with Nicaragua have been restored, El Salvador's military attache in Nicaragua will be Colonel Julio Cesar Yanes, a retired member of the Armed Forces General Staff.

To conclude, the Coprefa spokesman said that the other changes are routine and not very significant.

According to a report issued by the Coprefa on 2 May, the general order issued by the Defense Ministry states that as of 1 May Colonel Menjivar Campos, who was a National Navy Executive Officer, has been promoted to commander, replacing Colonel Humberto P. Villata, who is now the military attache at the Salvadoran Embassy in Spain.

Colonel Mauricio Roberto Staben, commander of Military Detachment No. 7 based in Ahuachapan, has been named military attache at the Salvadoran Embassy in Honduras. Up until the afternoon of 2 May, the name of his replacement had not been disclosed.

Issues Communique on Junior Officers

PA0405161790 San Salvador Radio Cadena YSKL in Spanish 1223 GMT 4 May 90

[Communique issed by the Armed Forces Press Committee, Coprefa, in San Salvador; date not given]

[Text] The military high command emphatically rejects the junior officer's statements, considered a type of gray propoganda, because no person or group of persons has claimed responsibility for them. The statements are biased in favor of the Farabundo Marti National Liberation Front [FMLN].

On 10 January 1981 a series of similarly anonymous letters and statements were circulated. The military intelligence learned that the letters were part of a strategy implemented by former Captain Francisco Sandoval, along with other members of the Salvadoran subversion.

In addition, something similar happened in November 1989, but this time it was done by a high-ranking member of the National Union of Salvadoran Workers, who claimed that he had received a communique from junior officers on a number of irregularities that were reportedly occurring within the Armed Forces.

The FMLN terrorist groups launched offensives on both occasions. According to their goals, the final task was to seize power by force and by all means, even if they had to sacrifice the lives of many Salvadoran civilians and severely damage houses and the country's economic infrastructure.

The Armed Forces are aware of their high level of professionalism and their own institutional ethics and philosophy as demanded by the constitution of the republic and reiterate that their mission will always be to defend the nation's sovereignty and to protect each and every one of the Salvadoran people's life and interests.

Therefore, it is useless to try to undermine the Armed Forces' morale and to confuse and divide all the members comprising the Armed Forces through groundless communiques which are intended to create false expectations for the national and international public.

Trade Relations With Nicaragua 'Normalized'

PA0605183690 San Salvador EL DIARIO DE HOY in Spanish 4 May 90 p 2

[Text] Salvadoran Foreign Minister Manuel Pacas Castro has announced that El Salvador has already normalized its trade relations with Nicaragua and expects to resume consular and diplomatic relations next week at the latest.

Salvadoran Consul Luis Rosales returned to Managua two days before President Violeta de Chamorro took office.

According to the foreign minister, bilateral relations will be completely normalized when there are accredited ambassadors in the two countries.

The Salvadoran Government will propose an ambassador to Managua through the Foreign Ministry. Nicaragua will do the same thing.

Foreign Minister Pacas and President Alfredo Cristiani spoke with the Nicaraguan presidency minister in Managua on 26 April, one day after Mrs. Violeta de Chamorro took office. The participants at the meeting stressed the importance of resuming bilateral relations as quickly as possible.

Dr. Pacas also met with Nicaraguan Foreign Minister Enrique Dreyfus to discuss the issue.

The Salvadoran foreign minister hopes the relations with the administration of Violeta de Chamorro "will be more cordial and smooth."

Interviewed by EL DIARIO DE HOY at the Managua government house shortly after the Chamorro inauguration, Nicaragua Foreign Minister Dreyfus said efforts will be made to resume relations as soon as possible, adding that the relations will be very cordial. He also said "no reason exists for not having relations with El Salvador."

Asked about the FMLN [Farabundo Marti National Liberation Front] offices and bases in Nicaraguan territory, the new foreign minister said he would rather not comment on this because he "did not have enough informaiton to voice an opinion."

He also said the Chamorro government is very interested in reestablishing the Central American Common Market.

The Salvadoran Government suspended relations with the Sandinist regime in November when a plane was discovered transporting weapons from Nicaragua to the FMLN.

Guatemala

Foreign Minister on Case of Dismissed Consul

PA0505195590 Guatemala City EL GRAFICO in Spanish 1 May 90 p 10

[Text] Guatemala City, 1 May—U.S. Ambassador Thomas F. Strook met just before noon yesterday with Foreign Minister Ariel Rivera. Among the topics discussed was the case of Mr. Julio Enrique Galvez Prado, the Guatemalan consul in San Francisco, California.

After the meeting, EL GRAFICO spoke with Foreign Minister Rivera Irias about the "irregular and abnormal activities" of the consul in San Francisco.

The foreign minister said that Ambassador Strook explained things to him in greater detail. He was told that the consul sold Guatemalan passports. Rivera Irias said that it was important to reveal such things so that speculation about other things, like cocaine trafficking, would not occur.

EL GRAFICO asked the foreign minister if he thought the United States could press charges against the Guatemalan consul in the United States and if this action would affect Guatemalan sovereignty, due to the consul's diplomatic immunity.

The foreign minister replied that the San Francisco consulate was formally closed on 30 April, therefore, Galvez Prado was no longer the consul. This leaves him without diplomatic immunity and he could be held liable under the U.S. judicial system, if charges are brought against him there.

Rivera Irias reiterated what was said in a letter to the U.S. Ambassador; in the letter Guatemala states its unwilliness to allow misconduct in its foreign service personnel.

Cerezo on Possibilties for Dialogue

PA0605025990 Guatemala City PRENSA LIBRE in Spanish 28 Apr 90 p 19

[Text] President Vinicio Cerezo said on 27 April: It is unfortunate that there are groups that insist on destroying what costs us so much to build. They want to prevent the dialogue that will be held with various sectors of the country in Oslo, Norway. They are not harming the government but the people, because they are wasting resources that could be used for projects to benefit the people.

Cerezo added: We must insist on appealing to those groups so they will become aware of their historic responsibility. They must understand that we recognize they exist and that they must be incorporated into the country's political life. They must stop struggling against the people and instead participate in political life so as to build so much of what is still needed.

The Guatemalan Government will continue implementing security measures to protect the country's bridges, and it will rebuild the Nil bridge which was blown up early on 25 April, the president said.

Such acts of terrorism strengthen the arguments of those people who do not want to seek peaceful solutions through dialogue and instead want to promote military actions and confrontation.

It would not be strange if among the guerrillas there are individuals who want to boycott and break the dialogue

that is scheduled to be held soon in Oslo, Norway, and that seeks to achieve peace, Vinicio Cerezo added.

Border Passes Eliminated; Passports Required

PA0605144690 Guatemala City EL GRAFICO in Spanish 2 May 90 p 6

[Text] Guatemala City, 2 May—Immigration Director General Arturo Chur del Cid has announced that beginning on 1 May, all Central Americans who enter Guatemala must have passports.

The official said this means that border passes, which in the past had been distributed illegally distributed and had encouraged corruption among the immigration officials at the country's 22 border posts, have been eliminated.

The immigration director said the passports will be given to the immigration officials who will determine whether the individual can enter the country.

Chur del Cid said the border passes will only be issued to the residents of border towns. He said there was an unfortunate case of a border pass which was issued by an immigration official on the border with El Salvador and it was then used by the individual to travel illegally all the way to the United States.

The immigration director added that passports will permit greater control over those who enter Guatemala and will help fight the corruption which emerged as a result of border passes being sold for as much as 50 quetzales when they should have been free.

Human Rights Group on Clandestine Cemeteries

PA0605191790 Guatemala City EL GRAFICO in Spanish 30 Apr 90 p 3

[Text] Guatemala City, 30 April—The Mutual Support Group (GAM) has reported finding 25 clandestine cemeteries in the country's Western high plateau area, noting that proceedings required for an investigation into the cemeteries have begun.

According to the president of the human rights group, most of the cemeteries are in hamlets and communities located in the Guatemalan high plateau, an area that suffered a great amount of violence during the period between 1979 and 1982. The president said: "The people that are buried in these hidden cemeteries were relatives of some of the people who belong to our humanitarian organization."

GAM President Nineth de Garcia added: "All the crimes were committed by men who hide in anonymity and are responsible for the kidnapping and disappearances in our country."

Over the past few months, GAM has intensified its search for clandestine cemeteries and has been successful: three cemeteries were found in El Quiche, one in Chimaltenango, one in Sacatepequez, and one in Chinautla last year.

"Our activists in the Guatemalan high plateau area have reported several times to our headquarters that 'Chupol' civil patrol guards have kidnapped their relatives, that two cemeteries exist in that community, and that other cemeteries are located in Uspantan, El Quiche, Zacualpa, and the rest of the municipalities in this area," she said.

"There are more than 100 cemeteries that have already been reported to the El Quiche 2d penal court and pending an investigation. However, this court has not issued the required exhumation orders for the investigations to continue; this means that they have deliberately shelved the charges we presented at the courthouse because they refuse to carry out the required legal procedures," said the GAM president.

Nineth de Garcia stated: "The relatives of those who have disappeared, request that the kidnappers and murderers of our relatives be brought to trial and punished. In a month's time, our foundation will have been working for six years and, up to now, President Vinicio Cerezo has refused to form a commission to investigate the cases of the 40,000 people who have disappeared."

Plane Crashes in Guatemala City Neighborhood

PA0505233890 Panama City ACAN in Spanish 2314 GMT 5 May 90

[Text] Guatemala City, 5 May (ACAN-EFE)—Official sources have reported that a Guatemalan cargo plane owned by the Traslados Company this afternoon crashed into several houses in northern Guatemala City, causing an undetermined number of dead and wounded.

Civil aeronautics personnel confirmed to ACAN-EFE that the three crew members of the DC-6 were U.S. citizens hired to fly the plane to Miami.

Sources from the municipal fire department said the plane destroyed 12 houses. The number of dead and wounded is still unknown.

According to initial reports, the accident occurred shortly after the plane took off from La Aurora International Airport, and was apparently caused by the loss of an engine.

Fire Department spokesman Haroldo Juarez said there have been explosions in the drainage system because of gases that have accumulated from the fuel spilled by the plane.

According to the spokesman, the pilot tried to land on an empty lot but was unable to do so and crashed in the housing area.

Juarez said the exact number of dead and wounded is unknown but unofficially there are reports of 15 dead and more than 20 injured.

4 Airplane Accidents 'In Less Than 24 Hours'

PA0605155390 Hamburg DPA in Spanish 1320 GMT 6 May 90

[Text] Guatemala City, 6 May (DPA)—Civil aeronautics authorities have reported that four plane accidents in less than 24 hours have brought destruction and death to Guatemala.

The most serious accident took place in a neighborhood just outside the capital when a cargo plane that had just taken off from the La Aurora International Airport crashed into a residential area destroying several homes and killing 17 people, including children.

A second accident occurred when a small plane was forced to make an emergency landing in Rabinal, in the northern part of the country. In this accident the pilot was injured.

In a third accident, a plane that had maneuvered on the runway of the La Aurora International Airport turned over and crashed. The plane was severely damaged and the pilot and members of the crew were injured. In a fourth accident, a helicopter for the presidential staff had technical problems and was forced to make an emergency landing.

Details of the last three accidents were not yet known. These accidents have made this the worst day for Guatemalan aviation in recent years.

Nicaragua

'Contra' Leaders Meet With Chamorro, Cabinet

PA0405221190 Panama City ACAN in Spanish 2034 GMT 4 May 90

[Text] Managua, 4 May (ACAN-EFE)—Security for the "contras" once they lay down their weapons was the central topic during the meeting held in Managua today between the rebels' military chiefs and President Violeta Chamorro's cabinet.

"The physical security of the combatants, in order to create a climate of confidence and thus be able to reintegrate themselves into the civic life of the country, has been the main topic discussed so far," Nicaraguan Resistance (RN) Political Adviser Aristides Sanchez said after five hours of meetings.

"We have also discussed agrarian reform matters and the proportional disarmament" of the "contras" and the Sandinist People's Army (EPS) troops, Sanchez added.

The rebels' political adviser, as well as Nicaraguan Foreign Minister Enrique Dreyfus—who temporarily left the meeting—expressed "optimism" over the talks, and pointed out the "lessening of tension" and "positive" climate that prevails.

Nicaraguan President Violeta Chamorro, along with seven members of her cabinet, began negotiations in Managua today with the "contra" military leadership to seek the definitive demobilization of the rebels.

"Another topic we have begun to discuss is work guarantees for the combatants once they lay down their weapons. We are worried not only about security, but also about their reincorporation into productive life, because we want to help solve Nicaragua's economic problems," Sanchez pointed out.

According to sources consulted by ACAN-EFE, the Nicaraguan "contras" will propose to the Violeta Chamorro government their desire to remain grouped in the five "security zones" where about 12,000 armed rebels currently are.

If a satisfactory accord is reached, the rebels will give their weapons to the UN Observer Group in Central America, and will request land property titles over this land along with low-interest loans.

The five "security zones" span approximately 3,000 sq km spread over several Nicaraguan departments.

General Humberto Ortega's temporary stay as Army commander in chief—confirmed by Chamorro—is no longer a priority subject on the contras' agenda. Instead, the contras will demand land and other means of survival so they can be integrated into civilian life.

According to contra sources, another subject that will also be brought up today is the establishment of a schedule for "the drastic reduction in the number of EPS members" that Chamorro promised during her electoral campaign and when she was sworn in as president on 25 April.

The Nicaraguan president said on Monday that Humberto, the brother of former President Daniel Ortega, will stay in the Armed Forces until the rebels are demobilized and Humberto submits to her a plan to reduce the number of Army members.

In today's meeting, Chamorro was accompanied by Minister of the Presidency Antonio Lacayo, Foreign Minister Enrique Dreyfus, Government Minister Carlos Hurtado, Agriculture Minister Roberto Rondon, Labor Minister Francisco Rosales, Health Minister Ernesto Salmeron, and Central Bank President Francisco Mayorga, who holds the rank of minister.

The contras are represented by Commanders Israel Galeano, alias "Franklin"; Chief of Staff Oscar Sovalbarro, alias "Ruben"; Rudy Zelaya, alias "Douglas"; Jose Benito Bravo, alias "Mad"; and Luis Sovalbarro, alias "Johnny," as well as political advisers Aristides Sanchez and Boanerge Matus.

Because of the accords reached between representatives of the Chamorro government and the Nicaraguan Resistance on 19 April, the rebels have until 10 June to hand over their rifles to the UN Observer Group in Central America forces, which is commanded by Spanish General Agustin Quesada.

So far, only two of the 12,000 contras present in the mountains of Nicaragua have surrendered their arms.

The meeting will extend into the evening, and at its conclusion Chamorro will host a dinner for the contra leaders, who will hold a news conference tomorrow.

Chamorro, Resistance Issue Declaration

PA0505132090 Managua Radio Sandino in Spanish 1203 GMT 5 May 90

["Text" of Managua Declaration issued by President Violeta Chamorro and the Nicaraguan Resistance, RN, in Managua on 4 May—read by announcer]

[Text] The RN states that:
1. The RN is complying with the cease-fire agreement that calls for the effective separation of forces and for the concentration of RN troops in established security areas. This effort is about to be completed.

2. The RN, in line with the Toncontin Agreement Addendum, will maintain its voluntary demobilization and will begin disarming its troops at 1100 on 8 May in security areas agreed upon in the presence of the UN Observer Group in Central America and His Eminence Cardinal Miguel Obando y Bravo. This process should be completed by 10 June 1990, at the latest.

Mrs Violeta Barrios de Chamorro, as president and defense minister, states that:
1. She has ordered the immediate withdrawal of Army, security, and paramilitary forces from the areas listed in the cease-fire agreement signed 18 April. She has also ordered that weapons be seized from the civilian population in the listed areas. She has also ordered that these weapons be destroyed immediately.

2. The Armed Forces reduction program, pledged in the 25 April inaugural speech, will be announced on 10 June and immediately implemented.

3. The president has reiterated her commitment to guarantee the physical and moral integrity of all RN fighters, their relatives, and the civilian population accompanying them.

4. Once the RN is disarmed, the government will grant a legal status to the political organization that they form, based on the law.

5. Development centers [polos] will be established for the demobilized people to meet their material needs. These centers [polos] will be established by 31 May.

6. The president thanks His Eminence Cardinal Miguel Obando y Bravo, ONUCA, and the International Commission of Support and Verification for their presence.

Managua, 4 May 1990

Contra Leaders 'Satisfied' With Accord

PA0505203990 Panama City ACAN in Spanish 1820 GMT 5 May 90

[Text] Managua, 5 May (ACAN-EFE)—The contra military leaders said today that they are "satisfied" with the agreement signed in Managua with Nicaraguan President Violeta Chamorro in which they pledge to begin disarming on 8 May and to end by 10 June.

"Commander Franklin" (Israel Galeano), chief of the contra general staff, said he was "happy" with the "Managua Declaration" signed by the rebels, Chamorro, and Cardinal Miguel Obando y Bravo after 15 hours of negotiations in Managua.

In the agreement the rebels pledge to begin disarming their troops, which are currently located in five "security zones" in various places in Nicaragua, on 8 May in the presence of the United Nations Observer Group in Central America (ONUCA) and Cardinal Miguel Obando y Bravo.

"Commander Franklin" reported that on 8 May the first rebel forces, the number of which he did not specify, will begin surrendering their weapons to the UN peacekeeping forces in one of the security zones.

Of the 12,000 anti-Sandinist rebels who have entered the enclaves thus far, only two have turned in their weapons and returned to civilian life.

The chief of staff of the armed resistance did not sign the agreement that was negotiated by Commander "Ruben" and the Chamorro administration on 19 April, in which 25 April was set as the date to begin the disarmament.

"Franklin," who refused to sign after it was revealed that Chamorro had retained General Humberto Ortega in the Army, signed this agreement on disarmament.

"Commander Franklin," who arrived in Managua on 3 May and will return to El Destino today, a town in northern Jinotega Department 240 km north of Managua, said that his men "are prepared to demobilize and become a labor force."

"It is time for all sectors to commit themselves to moving Nicaragua forward. We now have a legitimate government that needs help from everybody," he added.

The Nicaraguan Government agreed to "development centers," for the rebels to meet their physical needs. The centers are to be specified on 31 May.

Commander "Ruben," said "we are very pleased with the results of the meeting and also at having been with President Violeta Chamorro."

Even though the document "does not take into account all of our concerns," the agreement that has been reached is "positive" because it will permit "an end to the war" in Nicaragua, said the rebel military leader, who is 30 years old.

"At the meeting, which ended after 15 hours of negotiations, the resistance outlined the guarantees required by the fighters and their relatives to rejoin civilian life," "Ruben" stressed.

The rebel military leader said that the representatives of the Chamorro administration listened to their proposals and "also outlined for us the problems Nicaragua is facing in the economic area."

Commander "Ruben" noted that the rebel leaders are aware of the critical situation the country is facing, adding that because of it, "all of us have to work to get Nicaragua out of the crisis inherited from Sandinism."

The member of the contra general staff said that "other concerns" of the armed resistance will be discussed during subsequent meetings. They expect another meeting to be held with the government later in May and "to get something new."

Commander "Ruben" said the contra delegation expressed its concern about Gen. Ortega's retention in the Army to the government delegation.

"In order for true reconciliation and peace to exist in Nicaragua we must begin by demilitarizing the country, which includes the case of Humberto Ortega," who was confirmed in his post temporarily by Chamorro.

In the agreement, President Chamorro says that she has ordered all EPS and paramilitary forces to immediately withdraw from the "five security zones" in which the 12,000 rebels are located.

Ortega 'Mistrusts' Agreement

PA0705041890 Panama City ACAN in Spanish 2216 GMT 6 May 90

[Text] Managua, 6 May (ACAN-EFE)—Former Nicaraguan President Daniel Ortega said today in Managua that he "mistrusts" the agreements reached yesterday between President Violeta Chamorro and the "contra" military chiefs on the disarming of the rebels.

According to the "Managua Declaration" signed after 15 hours of talks held in Managua, the "contra" chiefs agreed to begin disarming their troops on 8 May. The disarming will conclude no later than 10 June.

Meanwhile, today on "Radio Ya," the Sandinist station in Managua, the leader of the opposition said that on 19 April the rebels signed an agreement with General Humberto Ortega and they are not abiding by it.

According to Ortega, the agreement states that the disarming should have begun on 25 April and conclude with the total demobilization of the contras no later than 10 June, and "this is not being done."

Daniel Ortega believes that the "contras" are just trying to "buy time." "What for? To concentrate their forces and resume the war? That is what we must ask ourselves, and we have every reason to be mistrustful," he added.

Ortega said that during the 15-hour meeting held in Managua on 4 and 5 May, all the "contras did was repeat what they said on 19 April, "perhaps with more details," which is the reason "we must demand that they abide by the agreements," Ortega stressed.

"If the contras do not disarm by Tuesday (8 May at 1700 GMT), we must demand more firmness from (Violeta Chamorro's) government to put the contras in their place," Ortega stressed.

The "Managua Declaration," which was signed early yesterday morning, states that approximately 12,000 rebels will begin to lay down their weapons on 8 May before the ONUCA [UN Observer Group in Central America] military contingent in the five "security zones" established throughout Nicaragua.

The Managua government has also promised the resistance combatants that it will establish "development areas" that do not necessarily have to be in the current "security zones" and that these development areas will be established by 31 May in an attempt to satisfy the contras' basic material needs.

Chamorro Places Godoy in Separate Building

PA0505042290 Managua LA PRENSA in Spanish 30 Apr 90 pp 1,8

[Text] Nicaraguan President Violeta de Chamorro formally inaugurated her presidential offices today, establishing the model of not attending business together with the vice president and of setting up an office for him in a separate building.

Chamorro's decision, which became the most discussed national and international news over the weekend, was played down by Chamorro's advisers, but not by Vice President Godoy, who tried to take over the Government House with approximately 18 advisers on the morning of 26 April and to distribute the offices before the president had taken possession of them.

Godoy arrived when members of a Chamorro commission were still receiving the keys to the building, and was told to return in the afternoon when President Chamorro had issued her instructions.

Hours later, Vice President Godoy told international news agencies that he had talked with President Chamorro over the telephone and that he had been informed that his offices would be located in another building.

Godoy did not tell the news agencies what explanation he had received from President Chamorro on this matter. On the contrary, he used the action to accuse Chamorro's advisers of trying to "monopolize power" and of wanting to leave him without influence over Chamorro, in whose offices an air of prudence and silence prevailed on the matter.

Chamorro's advisers commented that Vice President Godoy told her that he wanted a "carte blanche" vice presidency, which was understood as not wanting to have any commitments to President Chamorro.

Godoy made his statements in the presence of Venezuelan President Carlos Andres Perez during a breakfast held at the Venezuelan Embassy on 24 April.

According to our sources, Godoy told President Chamorro that he did not want to have any duties in her government and that he would not support her because he did not agree with the way in which she chose her Cabinet or with the treatment she was giving to army authorities.

It is believed that these remarks by Godoy influenced Chamorro when the time came to distribute the offices, and she decided to keep close to her those who will help her in her government administration.

The current Government House has two floors. One will be used for the president's offices, and the other has been fixed for the Presidency Ministry, which coordinates the president's cabinet. LA PRENSA learned that in these offices Chamorro will have her legal, economic, social, cultural, and military advisers, who will be available for permanent consultation.

Although speculations about this matter served Godoy's advisers to accuse Chamorro and her advisers of monopolizing the executive branch, they do not worry the president. In remarks to LA PRENSA, she said that she did not see why they had to be crowded in one building when there were so many other good buildings other than the Government House.

However, the vice president and his advisers have used this issue to begin a campaign aimed at undermining the legitimacy of President Chamorro in the eyes of her supporters.

It must be recalled that during the first round of elections for the Legislative Assembly's board of directors, two deputies charged in a public letter that Godoy had told them that in one year "he was going to be president of the Republic."

Based on these intentions and on his most recent remarks, Godoy has clearly hinted that his strategy is to keep a confrontation with the executive branch alive, questioning and rejecting every measure taken by the new government, and thus maintain a permanent political crisis to lessen the sympathy and credibility the president has until he gains control of the executive branch.

Proof of this is that his first public action after being sworn in was not to celebrate, but to stir up against Chamorro the contradictory feelings elicited by the president's decision to temporarily leave General Ortega as Army commander in chief.

As part of the same campaign against Chamorro, Dr. Godoy's advisers have reported to several media on an alleged pact between the Sandinists and Presidential Minister Antonio Lacayo and Assembly Secretary Alfredo Cesar.

Jaime Bonilla, Godoy's main adviser, this morning called for a news conference at the Press Club, where he spoke about the existence of this "pact." He could not, however, report on its contents, thus confirming the suspicion that this is only a campaign to detract from the genuineness of the government of Chamorro and her advisers.

Bonilla confirmed an increasing crisis in the Political Council, an organization that sways between two trends. One of them favors keeping the coalition united within the parliament as a UNO faction and supporting Chamorro from there. This trend is represented by the six parties that do not seek a confrontation with the chief executive. The group is headed by Cesar.

The other UNO faction, headed by Godoy, strives at turning the Political Council into something similar to what the Sandinist National Directorate was, a clique to either control and direct all acts of the government and the president, or to assume an open confrontational stand if the government resists being controlled by these particular parties' political passions.

In his public appearance this morning, Bonilla tried to belie a possible rift in the coalition, each of whose member parties started to meet separately on Friday.

An open definition of the UNO parties would weaken Godoy's faction in its plans to turn the Political Council into a kind of National Directorate, which would dictate to Chamorro what she must do.

The president, however, has said very clearly in public that she will rule in Nicaragua, because this is what the people voted for.

Godoy Says LA PRENSA 'Distorted' Truth

PA0505042990 Managua Radio Corporacion in Spanish 2301 GMT 4 May 90

[Text] A communique released by the Vice Presidency's press office today refuted a LA PRENSA report published on Monday saying that Virgilio Godoy was responsible for a crisis within the UNO [National Opposition Union].

LA PRENSA, said the communique, is not faithful to its motto of serving truth and justice when it puts indecent words in Godoy's mouth. The document also said that

Godoy and his advisers never attempted to take over the presidential palace, but were notified that their offices were not located there.

The press office told LA PRENSA that the paper has become government-oriented recently and has distorted the true nature of the events.

Rafael Solis Named Adviser to Alfredo Cesar

PA0505194490 Managua Radio Corporacion in Spanish 2300 GMT 3 May 90

[Text] Alfredo Cesar, secretary of the National Assembly has begun to select his advisers. He has picked among his top avisers a veteran in politics and a [word indistinct] Sandinist. Alfredo Cesar has chosen Rafael Solis Cerda, a Sandinist National Liberation Front [FSLN] member as one of his advisers. Solis Cerda was primarily responsible for the recent agreements in the National Assembly, a negotiator with the contras, and a liaison with the parties for more than five years.

According to reports, Solis consulted with the FSLN about having to work with a former counterrevolutionary leader and was authorized by the Sandinist leadership to take whatever actions might be necessary to work with all the parties comprising the National Assembly.

Chamorro May Name Resistance Chief Vice Minister

PA0605144290 Hamburg DPA in Spanish 2007 GMT 5 May 90

[Text] Managua, 5 May (DPA)—Following the meeting today with Israel Galeano, alias Franklin, top chief of the Nicaraguan Resistance [RN] and the administration of Violeta Chamorro, it was reported that Galeano could be appointed deputy minister of the Repatriation Institute, which is headed by Leopoldo Navarro.

During the meeting, which lasted 11 hours, the contras and the government agreed on programs for demobilizing approximately 10,000 rebels, based on agreements signed on 19 April. The contras must begin demobilizing at 1100 on 8 May and be finished by 10 June.

According to sources close to the new government, the suggestion to appoint the rebel leader was presented to him by officials of Chamorro's administration.

In statements to DPA, Franklin said that he was "satisfied" with the results of the negotiations held with Chamorro's government and he rejected Sandinist statements that the contras will not comply with demobilization and return to civilian life.

BARRICADA, the Sandinist opposition paper, reported today that at the meeting the contras had insisted that their demobilization coincide with the dismantling of the Sandinist People's Army. However, when asked to comment on these statements, as he was leaving the hotel in Managua where the rebel delegation stayed, Franklin denied these reports, adding that Nicaragua did not need an army, only a public force. He added that his forces would be willing to strengthen Nicaragua's work force by joining it.

Commenting on Violeta Chamorro's administration, Franklin said that the country was in disarray and "we all have to support measures that will change this."

The rebel chief said that the amnesty law that is to be discussed at the Legislative Assembly next week is good "because it is going to benefit many of those responsible for the disaster." [sentence as received]

Central Bank Announces New Cordoba Devaluation

PA0505011390 Managua Radio Corporacion in Spanish 2300 GMT 4 May 90

[Text] The Nicaraguan Central Bank announced at noon today a new official devaluation of the dollar exchange rate. The Central Bank's Board of Directors announced that the exchange rate, beginning today, stands at 90,000 cordobas to the dollar.

As a result, the price of hydrocarbons and their derivatives immediately increased. The price of basic grains, electricity, potable water, and transportation fares will apparently also increase.

Announces New Interest Rates

PA0505194790 Managua Radio Corporacion in Spanish 2300 GMT 3 May 90

[Text] The Board of Directors of the Central Bank of Nicaragua, hereby decrees:

The interest rates that the banks will charge the customers on loans, up to 18 months, contracted under the new "gold" cordoba monetary units starting on 1 May will be the following:

1. Business: 22 percent for credit granted for domestic trade in basic grains and credits for foreign trade of the cotton, coffee and sugar crops during 1989-1990

2. Industry: 18 percent.

3. Farm-Cattle: 15 percent. This includes cattle raising, basic grains bought from the Nicarguan Enterprise for Basic Foods, as well as spare parts for farming, cattle, and transport industries.

4. Small and rural industries: 13 percent. This includes small businesses and handicrafts.

5. Other activities: 15 percent.

The Central Bank of Nicaragua will finance banks for these activities granting them a 6 percent yearly differential.

The rates of interests to be paid by banks in certificates of time deposits which will become the new "gold" cordoba monetary unit will be the following:

3-month deposits: 10.5 percent yearly.
4-month deposits: 11.5 percent yearly
5-month deposits; 12.0 percent yearly.
6-month deposits: 12.5 percent yearly.
9-month deposits: 13.0 percent yearly.
Deposts for 1 year or over: 14.3 percent yearly.
Issued in Managua on 3 May 1990.

Issues Decree on New Currency

PA0505194990 Managua Radio Corporacion in Spanish 2300 GMT 3 May 90

[Text] The Board of Directors of the Central Bank of Nicaragua [BCN] through its secretary reports the following to the Nicaraguan people.

1. The BCN Board of Directors has resolved:
To authorize the issuance of a new series of bills and coins in the national monetary unit which, without changing its juridical nature and in accordance with the current monetary law, will offer a new monetary unit for accounts or accounting records, until the new currency has been circulated, according to the law issued on 14 February 1988, Decree No. 304, Gazette No. 42 dated 1 March 1988, Article 7, Paragraph L.

2. The exchange rate of this new currency for accounts or accounting records will be equal to the U.S. dollar. This unit will only be for identification purposes until the new bills and coins can replace the old ones. The new ones will include the word gold among the legends. This is according to the original document, where the present certification is issued in Managua on 3 May 1990.

[Signed by] Arturo Eli Tablada, secretary of the board of directors.

Government Assumes Control of People's Enterprises

PA0505200590 Managua Radio Ya in Spanish 2106 GMT 3 May 90

[Text] Today President Violeta Barrios de Chamorro issued a decree announcing that all of the enterprises of the people's - ownership sector, known as (?APPENIC), will be assigned to the presidency and will now be called National Corporations of the Public Sector. This action will reportedly make these corporations more efficient. According to the new government's plan, some of these enterprises could be privatized. The board that will handle the corporation will be composed of three people appointed by the presidency. These are the names of the enterprises that will now become part of the public sector.

[Begin unidentified speaker recording] Mining Industry Corporation, Tourism Corporation, People's Industrial Corporation, Nicaraguan Corporation of Foreign Trade Enterprises, Nicaraguan Fishing Corporation, People's Transport Corporation, Agrarian Reform Enterprises, (?Fertica) Corporation, People's Commercial Corporation, Nicaraguan Mining Corporation, Nicaraguan Enterprise for Staple Foods, Corporation of National Construction Enterprises, Corporation for the Supply of Construction Products, and the Foreign Trade Ministry Enterprises.

As of now, all these enterprises are assigned to the presidency. [end recording]

Peasants Reject Army Bombing Communities

PA0605182490 Managua Radio Corporacion in Spanish 2340 GMT 4 May 90

[Text] Today peasants from El Mojon, (San Antonio de Sisle), and (Dasle), Jinotega Department spoke before the Permanent Commission for the Defense of Human Rights [CPDH] about their homes being bombed.

They reported that the Army, which was supposedly pursuing Nicaraguan Resistance [RN] rebels, attacked their communities with artillery fire from 0400-1030 on 29 April. Three people were injured, including two minors, who were rushed to Jinotega's regional hospital.

[Begin recording] [Unidentified woman] On 29 April in Jinotega, in the communities of El Mojon, (Dasle), and (San Antonio de Sisle), members of the Sandinist People's Army, stationed in San Gabriel, used howitzers to fire bombs; they fired bombs and rockets against the civilian communities of El Mojon, (Dasle), (San Antonio de Sisle), and nearby areas, claiming that RN members were there.

I must point out that these communities are within the areas where RN members must relocate, and according to the agreements that were signed, the Army must stay at least 20 km from such enclaves. The bombings began at 0400 and affected the civilians, because RN members had been in the communities for some time when they received a message from the Army to leave because it was going to occupy the area. The Army sent that message via the Juan Caballos Command Unit. The RN was given until dawn to leave the area.

[Reporter] Were there any wounded or dead because of this bombing?

[Woman] Yes, on 29 April, at about 1300, when CPDH members, including (Luis Blake), were at my house, a pick up truck came from El Mojon with several injured people, some hit by shrapnel.

[Reporter] Were you able to identify any of the injured?

[Woman] Mrs. Santos Hernandez, who is between 40 and 45 years old, was rushed immediately to the Amin Halum Hospital in Jinotega; two small children were also injured. The children suffered mostly face and head wounds. One of the children was rushed immediately to the regional hospital in Matagalpa.

Mrs. Santos Hernandez and the other child, whose name I do not know, are receiving medical attention at Amin

Halum hosipital. She has serious shrapnel wounds on her arms and legs and less serious shrapnel wounds on other parts of her body.

[Reporter] Thank you for your statement to Radio Corporacion. [end recording]

Panama

Arias Calderon Says 'No Possibility' of Coup

PA0605120290 Panama City ACAN in Spanish 1244 GMT 5 May 90

[Report by Antonio Martinez]

[Text] Panama City, 5 May (ACAN-EFE)—Panamanian First Vice President Ricardo Arias rejected the possibility of a coup d'etat in Panama and noted the U.S. military presence in the country continues to decline. He also asserted that Panama's relations with its Latin American neighbors have improved.

During an interview with ACAN-EFE, Arias denied the existence of differences between him and President Guillermo Endara. He said that his party, the Christian Democratic Party [PDC], the largest of the governing alliance, will not step out of the government just because some sectors are attacking him because he is keeping officers from the defunct Defense Forces of the overthrown Manuel Antonio Noriega in the Public Force.

The vice president, who is also government and justice minister, said: "There is no possibility of a coup being carried out in Panama." He said that news reports and warnings by politicians of the possibility of a "re-emergence" of militarism in the country "are nothing but some sort of search for melodrama." Arias said: "Neither the political and social forces nor the Public Force have any inclination for a coup. The country just is not up to that."

Regarding the coup rumors that circulated in Panama on 1 May, Arias said they are groundless but that they spread nevertheless because "they emerged in an atmosphere ripened" by recent charges by a magistrate and a district attorney who accused him and the police chief of obstructing justice.

According to Arias, the rumors and the attacks on the Public Force "certainly did not bring down" the efforts being made for Panama to have a police department that will protect the people, thus permitting the conclusion of the U.S. military intervention in the country.

Regarding the participation of U.S. soldiers in public security operations in Panama since the invasion in December 1989, Arias said: "The U.S. troop force is already below the level that existed prior to the intervention (13,000)." He noted that their presence is increasingly discreet.

The withdrawal of U.S. soldiers from street patrol duties "is progressive. The moment will come when they will no longer be on the streets," Arias said. He noted, however, that there is no specific date set. He stated: "This is not a problem of fixing deadlines but of creating conditions. As we develop a trustworthy and national force that is accepted by the people, the need for the U.S. presence will decline until it fades away—except the U.S. presence established in the treaties."

Arias admitted that Panama's relations "with some Latin American countries are cold," but, he added, "with the exception of two cases," which he would not identify, "the situation, in general terms, is improving." The vice president pointed to Panama's "great rapprochement" with its Central American neighbors and characterized these relations as "better than ever."

He said: "As a result of the crisis we endured, we Panamanians discovered that we are more Central American than what we had imagined, and this is why President Endara immediately responded positvely to his Central American colleagues' invitation for Panama to join the process of dialogue, coordination, and development taking place in Central America."

Regarding criticism of his security policies, he said that these policies are not only his but the entire government's. He noted that in the weeks that followed the invasion, he directed a "purge" that "has no parallel in Latin America." He stated: "All the colonels (there was only one general, Noriega), 83 percent of the lieutenant colonels, 38 percent of the majors, 31 percent of the captains, 19 percent of the lieutenants, and 10 percent of the second lieutenants were dismissed from the service."

The vice president has been telling those who are calling for the dismissal of everybody who formed part of Noriega's Defense Forces that the purge was up to the government, "when there was no judicial branch and the legislative branch was just being organized," but, he added, "now the judicial branch is functioning and there is a legislative assembly and the purge must be conducted based on the Constitution."

Arias stated: "The government cannot make decisions (such as dismissing police commanders) based on how many reports are published for or against somebody."

According to the vice president, this policy has the support of the entire government, and rumors about differences over this issue with Endara and with Second Vice President Guillermo Ford "are as unfounded as the rumors about the 1 May coup."

Arias also denied that the PDC plans to leave the government as a result of lack of solidarity from other government sectors in the face of criticism. He said that there will be "a government alliance for a long time because what is at stake is not an administration but the democratic system."

Paper Reports PDC Sought To Oust Endara 1 May

PA0405195790 Panama City EL PERIODICO in Spanish No. 13 May 90 p 4

[Text] Christian Democratic Party [PDC] activists, after a meeting, decided to take the Presidency of the Republic in response to the massive registration of the Arnulfist Party. This caused the palace Codepadi's [Committees for the Defense of the Fatherland and Dignity] (read Institutional Protective Service) to reinforce security measures.

The incident occurred on 1 May at 0200. The so-called presidential bodyguards were placed on a state of alert and strict security measures were taken around the presidential palace.

Heavily armed men in civilian clothes took up defensive and offensive positions around the palace.

Jose Sebastian Cubilla, one of Endara's trusted bodyguards, was killed amid the confusion. He was wounded at the palace and later died at Santo Tomas hospital. According to confidential reports, a 17-year-old girl from Veraguas also died at 2230 in the bursts of machine-gun fire.

Eyewitnesses and local and foreign newsmen saw Miguel Batista, vice minister of the Presidency armed with an UZI submachine gun.

This is the first incident in the power struggle. The palace guards would not allow Vice President Ricardo Arias Calderon and Guillermo Ford to enter the Presidency while Endara was out of the country.

PDC members sent the disquieting message to the Arnulfists that they are also armed.

Column Reveals 'Institutional Protective Service'

PA0605011390 Panama City LA PRENSA in Spanish 5 May 90 p1

["As of Today" Column]

[Text] After the strange happenings of 1 May, the country learned that there is an "Institutional Protective Service" that, unknown to anyone, is dedicated to "provide protection for the Presidency, Cabinet ministers, and institutions." No one knows yet when and how the Service was created, what its specific duties are, under which branch of government it operates, or how it is structured and armed.

Nothing is known either about its judicial basis, its budget allocations, and which authority provided the weapons and indispensable resources for its functioning.

The people still have vivid memories of the Dignity Battalions and of the risks posed by undisciplined groups armed with powerful weapons, and with little or no training as to how to use them.

The government has the legal, political, and moral duty to inform the people immediately as to the nature of the Institutional Protective Service. If it fails to do so, speculation and rumors will be rife and it will lose credibility, which is needed for the country's development.

Minister Linares Comments on Canal, U.S. Troops

PA0505195790 Panama City EL PANAMA AMERICA in Spanish 5 May 90 p 1

[Report by Juan Pristiolas]

[Text] Foreign Minister Julio Linares said yesterday that the United States would have to negotiate a new treaty if it wants to keep military bases in Panama after the year 2000. He stressed, however, that the Endara government "has no intention" of signing any such treaty.

Linares also said that the Foreign Ministry will take steps to retrieve areas that under the Torrijos-Carter treaties have reverted back to Panama. These areas are currently occupied by U.S. troops.

He said, "the occupation of those areas must end," adding that this matter has not been pressed before because there were other important mattters pending, like the U.S. economic aid to Panama.

Bank Explains Withdrawals From FDP Accounts

PA0705012990 Panama City Circuito RPC Television in Spanish 2300 GMT 4 May 90

[All figures as heard]

[Text] Luis H. Moreno, manager of the National Bank of Panama [BNP], today gave the following explanations concerning reports that millions of dollars were taken from the bank on the days following 20 December 1989 and that former Colonel Marcos Justines was reportedly involved:

[Begin recording] [Moreno] When I took over as manager of the BNP on 25 or 26 December, there was $18,966,000 in the bank broken down as follows: $9,407,000 in the vault and $9.5 million in the safes of all the bank's branches. The BNP has to keep all bank branches duly provided with funds. It was recently said $47 million was taken out of the bank vault in the unfortunate days between 20 and 28 December. I have just told you the total amount the BNP had in cash.

I believe there has been confusion concerning what was withdrawn from some accounts the Panama Defense Forces [FDP] had in the BNP. From 21 February through 2 May 1989, $12.2 million was withdrawn through checks that were made out to the bearer—and that is part of another story very well known to the public. This amount of money was withdrawn in 13 checks in amounts ranging from $68,000 to $1.3 million. Most of these checks were made out in amounts over $1

million each. Those checks were issued by the FDP General Staff on its account in the BNP.

In addition to that, from 18 January through 6 December 1989, a total of 22 checks were drawn also on the FDP accounts in the BNP. These checks amounted to nearly $28 million. All of this equals the amount withdrawn through the FDP account in the amount of $41.4 million.

These amounts were not directly taken out of the bank vault. These amounts were withdrawn through checks made out to the order of the bearer, the BNP, other companies, and debit notes that were also cashed at the bank vault. [end recording]

Marchosky Article on Support for Endara

PA0605023990 Panama City LA ESTRELLA DE PANAMA in Spanish 30 Apr 90 pp 4A, 10B

[Article by Eusebio R. Marchosky: "We Must Support President Endara"]

[Text] I do not think it is necessary for me to give public explanations of my conduct, and much less when those who demand these explanations are precisely those who should be giving them. As a magistrate, I am a government official who by law must administer justice. However, the grave circumstances our national society is confronting have forced me to go before a public tribunal in order not to have to demand justice. I have made some public statements because it is my unavoidable duty to inform the Panamanian people of what is happening and to assume the risks that this entails.

Futhermore, I do not want to be part of a public debate of mutual accustions. There are too many important things to work on. Therefore, I will get started right away, but first let us make a brief historical review. It is always healthy to refresh the memory.

As a result of (Colonel) Roberto Diaz Herrera's statements in June 1987, which had an explosive effect, the Civic Crusade—made up of civic, business, professional, trade union, labor, and other organizations—emerged. That civic movement had no political leadership at all. Political parties had no participation in the Crusade's actions.

The 1989 electoral process began with the country in a state of commotion, and the banner of organized opposition had to pass, in view of the grave circumstances, to the hands of political parties opposed to the Noriega regime. However, Noriega had previously done whatever necessary to take the legal structure of the Authentic Panamenist Party—the largest in the country—away from its legitimate representatives. The latter, including President Endara, were forced to participate in the electoral process without their own party. They had to borrow other political configurations.

Therefore, in the 7 May 1989 elections, the votes of the Panamenistas had to be expressed using the ballots of the Christian Democratic Party [PDC] MOLIRENA [National Liberal Republican Movement] and Authentic Liberal Party [PLA].

After the armed action of 20 December 1989, the electoral triumph of the Civic Democratic Opposition Alliance [ADOC] could be recognized, and the candidates elected by the Panamanian people assumed power.

The organization of the government began, and in that process of organization, the ADOC parties started demanding political positions in accordance with the number of votes received by each party, that is, by the PDC, MOLIRENA, and PLA. Those parties assumed as theirs the votes of Panamenista voters, as it was the only means they had to express their will in the elections. They also forgot—I must repeat it—that the Panamanian people did not vote for the green stars, roosters, or bells [symbols of the PDC, MOLIRENA, and PLA, respectively]. They voted for justice, against the military and their crimes, and against the reign of crime and corruption as a government system.

The new government then began practices against which the Panamanian people voted: The snatching of political opportunities and the fight over the spoils of public office. President Endara, the legitimate representative of the majority of voters that led the ADOC to victory, then became a minority in his own government. He was a president without a legally organized party and, as a result of all this, the effective political power of the country's highest magistrate was very much limited.

For this reason, and for other reasons that will not be analyzed now, popular political support for the government of National Reconstruction and Reconciliation became completely eroded.

The only thing the government effectively reconstructed is the Defense Forces—the main cause of all the country's misfortunes—with the new name of Public Force. This reconstruction goes against the will of the people and this in turn has made any national reconciliation impossible.

High-ranking government officials consider all former members of the Defense Forces that now make up the Public Force as singing cherubs in a uniformed choir that was broken-up by gringo bombs. Now the executive branch announces intolerance measures against all who dare make public accusations against these heavenly beings, even though they may be well founded, unless the accusations are formalized before an unworkable judicial system.

The nightmare the Panamanian people endured for more than 21 years is, according to the official version, only a dream and not a true nightmare. In the meantime, justice wanders about on hands and knees inside a dark room full of obstacles. To sum up, the government navigated in one direction while public opinion goes in the other.

The result is simple: Right now the country is polarized. On one side of the political table is the national government, with its back to public opinion and national realities. On the other end is the Panamanian people: frustrated, disappointed, and furious. What is most dangerous is that the peoples' anger is about to spill over.

Only one alternative remains: The president has to once and for all make all the firm and energetic decisions that the political cirumstances demand to correct things, to place the country back on a safe course that leads to the real strenghtening of an authentic democracy, free of threats and dangers. The president has to assume for himself, with a firm hand, the responsibility that is his. He now has a party. The Panamanian people must give him total support, and the president in turn must fully follow, without conditions or restrictions, the sovereign will of the people, already clearly expressed in 1,000 ways: with whistles, pans, handkerchiefs, blood, suffering, lives, grief, mourning, tears, and votes.

If this cannot be done soon, only a chasm will be left, because the Panamanian people would only be left the option of expressing themselves the way they have always avoided: by violence.

The responsibility is yours, Mr. President. You will have my humble support, and I am sure the undivided support of all people. You will have, in addition, the utmost gratitude of all the generations of Panamanians to come, including your grandson's descendants.

Marchosky on Official Criticism of Statements

PA0605044690 Panama City Telemetro Television in Spanish 2300 GMT 2 May 90

[Itlaicized passages are recorded]

[Text] The controversial Marchosky case reached the Attorney General's Office, which will open an inquiry based on the serious accusation that the Public Force [FP] is obstructing justice. Eusebio Marchosky, the magistrate of the Directorate of Liabilities Incurred for State Properties [DPP] of the Comptroller General's Office, reiterated his charges today.

In a desire to see his charges enlarged upon during an investigation, Marchosky went today before the attorney general to make some basic points regarding the irregularities that are hindering the judicial process. He arrived alone and without a bodyguard in an official car of the Comptroller General's Office but expressed concern over the tone introduced into the controversy and the charges raised against him in the county which, he says, has become polarized.

[Marchosky] *I said publicly over Channel 13 [Telemetro Television] that there were certain irregularities in the flow on information to public officials and evidence was not reaching the courts. I announced this on 25 April. On 27 April, due to circumstances I need not elaborate on at this time, I said there was, or there might be, some withholding of evidence; that I wanted a waiting period; and that I wanted the officials whose task it was to make the necessary corrections to make them. The president of the Republic challenged me to raise the charge publicly. Whether I did something rash is debatable. I think that the one who took the rash step was the person who publicly challenged me to make the matter public.*

Marckosky emphatically charged also that the files of the G-2, which was the defunct regime's intellingence section, are in the hands of the U.S. Army, indicating a serious omission on the part of Panamanian officials.

[Marchosky] *If my version is right, the FP is the one that is doing the obstructing. If the minister's [Government Minister Ricardo Arias Calderon] account is right, then the Americans are the ones who are obstructing justice, and I think the government must ask for an investigation into this.*

[Reporter] *Do you agree with the view of initiating proceedings against Vice President Arias Calderon for concealment?*

[Marchosky] *No, I do not think there is any reason to initiate any proceedings. What I say is that if my version is right, a mistake has perhaps been made. I am not making any accusations whatsoever against the government or justice minister in this regard. What I am saying is that, if this liaison mechanism exists, the Government and Justice Ministry is not the right channel for the relay or review of evidence and information from U.S. officials to the authorities.*

Marchosky, who met with the attorney general, explained that he sees no reason to resign because he has done nothing improper and cannot be accused of destabilizing the government since the government itself obliged him to go public with his statements.

[Marchosky] *I understand that the government and justice minister has asked for my resignation. I understand that Major [as heard] Quezada [Lieutenant Colonel Fernando Quezada of the FP] asked for my resignation. I understand that some leaders of the Christian Democratic Party have also asked for my resignation, but nobody has asked for an in-depth investigation of what I am saying. What I say is that, at any rate, the explanations that have been given are poor; that if what I say is correct the situation is not right; and if the position of the government and justice minister is right, it is even worse because we suffered—it would be we suffered, in that event—a military action from which it is now deduced that there is an undue withholding of evidence on the part of the U.S. Army and the U.S. Government. This is a crime in Panama and in the United States, and, therefore, an investigation is mandatory in that event.*

The problem is no longer whether or not I am right. The fact is that none of the explanations is satisfactory—neither mine nor the minister's. If the minister's version that the documentation is under the exclusive control of the United States is right, then Panama should have made

it known—which is not the duty of the attorney general's office—that this withholding of documents is detrimental to the people who are being prosecuted in this country. In that case, Panama should have taken a position with the U.S. Army. It has been my understanding at all times that the U.S. Army came here to liberate us and that—as a consequence of that liberation—it would retain evidence against the persons from whom it was liberating us.

The fact that I am a first cousin of lawyer Miranda [special prosecutor Rodrigo Miranda] does not mean we are in cahoots. Remember one thing: I went public with my statements because the president demanded it. Therefore, the president would have to be involved in the scheming when he asked me to do so. He did not call me in for an explanation in private. I cannot be accused of destabilizing this government because it was the government that asked me to make the statements publicly.

You know, gentlemen, that the documentation—or files—seized by the U.S. Army includes the G-2's files, in which there are 20,000 pieces of evidence against those who violated human rights in Panama, because the G-2 was the tool used in those actions. If Panama has had access to the G-2 files, through whom was it granted? If Panama had the opportunity to request access to the G-2 files and has not asked for them, gentlemen, then there has been a serious omission on the part of the Panamanian public officials. If the gringos did not make the G-2 files available to the Panamanain Government, then the gringos are conducting the coverup. As you can see, no explanation is satisfactory.

Commentator Says Endara Trip 'Clearly Successful'

PA0605023790 Panama City Radio Mia Network in Spanish 1700 GMT 4 May 90

[From the "Olimpo's Talking With People" program by Legislator Olimpo Saez]

[Text] President Guillermo Endara and his delegation returned from a clearly successful trip yesterday. Everything seems to indicate that President Endara's presence at least helped soften the U.S. Senate, which approved President Bush's $420-million aid package to support the Panamanian democracy. This shows the confidence that the Bush administration has in the ADOC [Civic Democratic Opposition Alliance] government headed by President Endara, Ricardo Arias Calderon, and Guillermo Ford.

I think that President Endara's firm decision to govern democratically and to move forward with the help of ADOC became clear to the United States.

Among the many things the president accomplished was to obtain President Bush's approval for the new canal administrator, Mr. Gilberto Guardia. Guardia agrees with many Panamanians, including me, on the need for the Panamanian people to prepare for the year 2000, when we will have to assume the responsibility of changing the U.S. canal into the Panama Canal, a canal that was the cause of so much bloodshed and suffering for several generations in this country.

Another accomplishment by Endara in the United States was that he earned the confidence of U.S. political groups regarding what we are doing here. Endara reiterated that during his administration there would be no negotiations to extend the permanence of U.S. military bases in Panama.

In conclusion, he obtained the economic aid that Panama urgently needs to reactivate the national economy, development, and the work needed to get the country going. This is work the government cannot do right now because there are no resources. The scarce resources the state has will be used to pay the interest on the foreign debt and the government payroll, which you all know is very large.

The few funds left will be used to maintain the state apparatus, the roads, and the hospitals, but in very small proportion compared to our people's needs.

This U.S. aid will consolidate our budget. Panama's budget, as approved by the assembly, did not include this $420 million, but this aid will reinforce and support the national budget and will give the national government the breathing space it needs to continue working.

Government 'Inconsistent Actions' Cause Confusion

PA0505195090 Panama City LA PRENSA in Spanish 4 May 90 p 1-A

["As of Today" Column]

[Text] Statements made by Magistrate Eusebio Marchosky have caused a political storm resulting in inconsistent government actions. The president of the Republic challenged the magistrate to voice his complaints against the Public Force; the magistrate actually did. Later, he was deemed irresponsible for having done so. Moreover, one of the vice presidents later said that the only bad thing was that the magistrate commented publicly instead of going to the Attorney General's Office. The other vice president said that he hoped that those who bear the title of magistrates will act according to the law "and not make hasty publicity accusations." It is a shame that both vice presidents did not give their wise opinions to President Endara before challenging Marchosky to do exactly what they considered as wrong. In reality, regardless of how the accusations were made, what matters is the seriousness of the accusations made by Magistrate Marchosky, the Special Prosecutor Rodrigo Miranda, and prosecutors from the Attorney General's Office. When such high-ranking officials publicly voice their lack of trust in those who run the Public Force, it is best to wait for an investigation before giving one's opinion on the veracity of the accusations. This did not happen and that is the reason why confusion and chaos now prevails in the country and even in the government.

Ponce Resigns Citing 'Personal Reasons'

PA0505143090 Panama City LA ESTRELLA DE PANAMA in Spanish 5 May 90 pp A-1, B-6

[Report by Cesar Gomez Marin]

[Text] The resignation of Jose Galan Ponce, deputy planning and economic policy minister, was officially released on 4 May. He had been working at the state planning ministry with Guillermo Ford, second vice president of the republic and head of the ministry.

Although the text of the resignation letter is not known, official sources have said that Galan resigned "for personal reasons." Other sources have said his resignation was due to "some discrepancies" with the vice president.

The truth is that Galan, a member of the Christian Democratic Party, is the first cabinet-ranking official to resign since Endara's government was installed on 20 December.

According to unconfirmed reports, the resignation was presented to Guillermo Ford a few days ago; however, a decision was made to wait until President Endara returned to make it official. This contrasts with the chief executive's previous statement that "there was no crisis of any kind in his government."

It has been learned that Galan was scheduled to go to New York to discuss the foreign debt and other economic matters with the commercial banks and other international financial organizations.

Argentina

Foreign Minister Discusses Upcoming Bush Visit

PY0405180490 Buenos Aires Domestic Service in Spanish 1600 GMT 4 May 90

[Text] Argentine Foreign Minister Domingo Cavallo has stated that when U.S. President George Bush visits Argentina in September, the country will be experiencing a full development process. Speaking to our reporter Pedro Leon, the foreign minister referred to the U.S. President's upcoming visit to Argentina. We have to recall that yesterday the newspaper, EL CRONISTA COMERCIAL, reported that President Bush and Menem will probably sign an agreement unprecedented in the history of U.S.-Latin American relations. Let us listen to what Cavallo said:

[Begin recording] [Cavallo] I think this visit will allow President Bush to see for himself the recent progress achieved in our country, starting with the improved relations with the entire world, the stabilization, and that which we believe to be a process of growth. By September we hope to have clear signs of this growth. We hope that by then the agreements to be signed will be ready. We also hope that these agreements will allow an expansion of foreign investments, and especially of U.S. investments in our country.

[Leon] Does this mean that it will be a just bilateral agreement for the two parties?.

[Cavallo] Yes. We feel that it will be very good for our country and, of course, it will also be good for the United States.

[Leon] Do you remember when the U.S. Vice President visited our country he said that they wanted to be partners with Argentina?

[Cavallo] Well, when President Menem met with President Bush in September 1989 in Washington, he told the U.S. President that Argentina wanted serious and improved relations with the United States. They also discussed the idea that was first launched by President Menem concerning integration at continental level, as he has recently said, from Alaska to Tierra del Fuego. [end recording]

'Montoneros' Group To Seek Role in Government

PY0505194390 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0034 GMT 5 May 90

[Text] Buenos Aires, 4 May (NA)—The "Montoneros" group, which was reorganized today at the Hotel Presidente in this city, has reported that it hopes to play a role in government by obtaining Congressional seats in 1991; to participate in the current government of Carlos Menem; and to contribute to the reorganization of the Justicialist Movement.

Approximately 200 leaders from the organization's different regional factions have decided to reaffirm their support of the government; to call on their militants to help solve the serious crisis; and to propose a policy of investment, development, production, and labor, taking into consideration the state of recession and the state's "necessary" reform.

In opening sessions, Roberto Cirilo Perdia stated that "humility in the face of current circumstances, and respect for the people are two principles we will never abandon. Similarly, raising the 'Montoneros' banner very high, we will say 'no' to any type of sectarianism or 'montonerism' that we may have on occasion defended."

Perdia added: "We will make all possible efforts to represent the national and popular sectors, and to act in support of our comrade Carlos Menem, as we have been doing since February 1988."

He then proposed the unity of all sectors that are identified with the government, and explained the following: "We have no ulterior motives or hidden meanings, nor any hidden policy or organization, and for this reason we aspire to the role that our organization deserves."

The plenary session has decided that this group will not be "closed", rather, its structure will be "federal, provisional, and open to the entire Justicialist Movement."

Bolivia

Commander on U.S. Pressure on Antidrug Fight

PY0405125490 La Paz La Red Panamericana in Spanish 1130 GMT 4 May 90

[Excerpt] The Armed Forces will not allow any foreign presence in the fight against drug trafficking. Armed Forces Commander in Chief Jorge Moreira announced this yesterday after a meeting at Government House between President Paz Zamora and the Army High Command.

The agenda of the meeting included several military matters that were presented to the president prior to his trip to the United States where he will meet with President Bush.

Moreira said that the militarization of the antidrug struggle was not considered as a specific item on the agenda, adding that they analyzed general aspects of the "coca for development" strategy.

Asked about the pressure that President Bush and the U.S. Government have exercised, seeking to militarize the antidrug struggle, Moreira said:

[Begin Moreira recording] Well, frankly I cannot say anything about the position of President Bush. I would like to make it quite clear, though, that under no circumstances will we allow the participation of foreign troops, because (?it is not necessary) under any circumstance. [end recording]

Moreira added that the $40 million in U.S. aid that the United States has offered to the Bolivian Armed Forces is to be used exclusively for the antidrug fight, stressing that the U.S. aid includes the provision of equipment, radar [words indistinct] and training. [passage omitted]

Paz Withdraws Lithco Contract, Public Bid Called

PY0505024690 La Paz Television Boliviana Network in Spanish 0030 GMT 5 May 90

[Text] Senate President Gonzalo Valda has said the president's message, on the lithium contract issue, is a demonstration of the government's policy of good will and open dialogue. Valda said the decision to withdraw the contract with Lithco will be supported by MIR [Movement of the Revolutionary Left] and ADN [Nationalist Democratic Action] blocs in Congress.

[Begin Valda recording] I must begin by noting the president's sensitivity toward regional conflicts. The president has always shown his concern with all social problems. His words regarding unity are not only a momentary thought, but rather reflect his continuous attitude. This attitude favoring civilized dialogue within the legal framework is becoming a characteristic of the president. The president has said in his message that the executive branch will send a message to Congress. We will take a position once we receive the message since the Chamber of Deputies is currently discussing the issue. The debate will probably be suspended due to the administration's decision to withdraw the contract and call for international bids to exploit the Salar de Uyuni evaporative resources [recursos vaporiferos]. The issue will now follow a new course. [end recording]

This afternoon the president announced his decision to withdraw the draft contract with Lithco and to solicit international bids for the exploitation of lithium. The president announced his decision in a message to the nation.

Paz Zamora Leaves for U.S., Previews Bush Talks

PY0605215090 Madrid EFE in Spanish 0510 GMT 6 May 90

[Text] La Paz, 5 May (EFE)—Bolivian President Jaime Paz Zamora said tonight before leaving for Miami that a new extradition treaty with the United States and the militarization of the struggle against drug trafficking will be discussed during his meeting with U.S. President George Bush.

Paz Zamora left at 2200 local time (0200 GMT) for Miami from where he will travel to Washington on 7 May for a two-and-a-half-hour meeting with Bush to discuss the drug trafficking problem and other bilateral issues.

The official Bolivian delegation, headed by President Paz, is made up of 29 people including five ministers, three deputies, and numerous private businessmen.

"I will go on behalf of the Bolivian people to defend the theory of coca for development. I believe we have made enough progress to expect positive results," said President Paz, who is the second Bolivian president to make an official visit to the United States in some 30 years.

According to official figures, Bolivia is considered the world's second largest coca producer, after Peru, with a production of 150,000 metric tons per year. Ninety percent of this production is used for drug trafficking, which is an illegal activity accounting for about $500 million per year, only $100 million less than the country's total exports.

Paz said that the visit to the United States is "important" and that it has a "special dimension" because the common problem of drug trafficking will be discussed.

The proposal to be submitted by Paz to Bush advocates replacing the coca economy with development projects and programs. Paz who did not give any figures said: "The idea is not to back the United States into a corner. What we want is international support."

He added: "I will go to defend the theory of development but also as a partner and an ally in other problems of the region."

Bolivian Foreign Minister Carlos Iturralde said that Bolivia will ask for U.S. aid to create a social compensation plan or, alternatively, funds for the balance of payments or development projects.

The two presidents will also discuss the signing of a new extradition treaty and antidrug militarization within the framework of drug trafficking and alternative development.

Paz said: "It is necessary to bring the extradition treaty signed in 1900 [as received] up to date, but that will depend on how the talks with Bush go."

Regarding militarization, Paz said that the U.S. Government "has been particularly concerned with the participation of the Armed Forces in the struggle against drug trafficking."

The special force to fight drug trafficking, which is made up of policemen, carries out actions to suppress the traffic in Bolivia and some military groups only provide logistical support, supplying air and river transportation for the special troops.

"I personally believe that we must be very careful. We have always said that the Armed Forces have a role assigned by the Constitution," said President Paz who leaves a country involved in a debate over the militarization issue.

President Paz added that the fact that Bolivians are "leaders in Latin America in interdiction and coca replacement will have a great influence in the negotiations with Bush."

20 Percent of Overdue Brazilian Debt Purchased

PY0405133690 La Paz La Red Panamericana in Spanish 1130 GMT 4 May 90

[Text] Bolivia has earmarked $7 million for repurchasing its overdue debt with Brazil. It has been reported that, based on commitments that Bolivia has assumed with Brazil and with the IMF, our country on 30 April repurchased 20 percent of its overdue obligations. Bolivia has thus repurchased 80 percent of its overdue debt owed to foreign governments, which amounts to $141 million.

Our country will repurchase another portion of its debt at the end of June, thus canceling all its overdue obligations.

In keeping with the terms of bilateral accords, Bolivia should begin servicing its debt obligations that fall due over the 1990-96 period. These obligations will follow a timetable that will be specified in due time. Agreements with Brazil will also be signed to allow Bolivia to continue to repurchase its foreign debt in portions that will be paid for in Bolivian currency

The government will thus comply with the terms of an accord with Brazil that provides for the creation of a development fund for promoting exports.

Brazil

President Signs Two New Provisional Measures

PY0505021690 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 4 May 90

[Text] Today President Fernando Collor signed a new provisional measure that combines all the provisional measures that have not yet been approved by Congress.

Justice Minister Bernardo Cabral said the purpose of the new measure is to make the economic measures easier to understand.

President Collor also signed Provisional Measure 185, which guarantees management and workers the right to appeal decisions made in collective bargainings. The appeal suspends the effects of the collective bargaining decisions.

Government Suspends Cruzado/Cruzeiro Conversions

PY0505012690 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 4 May 90

[Excerpt] The government has prohibited virtually all conversions of cruzados into cruzeiros authorized after the economic stabilization plan was approved.

The conversion of cruzados into cruzeiros has been suspended for the withdrawal of the following frozen resources:

Guarantee funds and funds for workers' severance pay;

PIS-PASEP [Servants Welfare Funds] for retirement or disability;

FINAM [Investment Funds for the Amazone] and FINOR [Investment Funds for Northern Brazil] incentives;

Payment for freight;

Funds of foreign diplomats;

Funds of importers with exchange contracts until 13 March;

Donations for cultural projects;

Funds of charity organizations;

Union funds;

Funds of professional auditing organizations;

Funds of the Catholic Church.

It will still be possible, until 10 May, to convert the frozen cruzados of saving accounts of individuals unemployed as of 15 December 1989 into cruzeiros, of employers associations, and of the taxi driver cooperatives. [passage omitted]

Rezek: No Changes on Nonproliferation Treaty

PY0505153890 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 5 May 90

[Text] Brazilian Foreign Minister Francisco Rezek assured foreign journalists in Rio de Janeiro Brazil does not intend to review its position of opposition to the Nuclear Nonproliferation Treaty.

Minister Rezek believes the aforementioned treaty entails technological stagnation.

The Foreign Minister said Brazil will not tolerate any interference with its program to use nuclear energy for peaceful purposes. Rezek said that Brazil cannot even contemplate using nuclear energy for non-peaceful purposes because the Brazilian Constitution prohibits it. He said that the constitutional provisions regarding the Brazilian nuclear program guarantee the program will be used for peaceful purposes.

Minister Rezek also referred to Brazil's relationship with the Third World countries. He asserted that Brazil will not abandon its fellow countries of the Third World and that it will continue to maintain the present relationship.

The Minister said, despite the plan to reduce the foreign service, there is no chance it will affect African countries, in particular the Portuguese-speaking countries. The reduction will only affect the embassies in developed countries without affecting diplomatic activities.

Minister Francisco Rezek made this statement at Itamaraty Palace, where he visited the Historical Archives and the Diplomatic History Museum.

Supermarkets To Maintain Prices at April Level

PY0505163890 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 5 May 90

[Excerpts] The supermarkets have decided to maintain prices during the month of May at the same level that existed in April despite the fact the Economy Ministry has lifted the price freeze.

This information was disclosed by (Arthur Sendas), president of the Brazilian Association of Supermarkets, during a meeting in Sao Paulo with Federal Police Secretary Romeu Tuma. [passage omitted]

The supermarket owners assured Romeu Tuma there are no signs of shortages throughout the country.

Export Policy Implemented, Import List Updated

PY0505170690 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 5 May 90

[Text] The Economy Ministry started to implement its new export policy and to liberalize the list of products whose importation is prohibited.

A measure issued by the Economy Ministry updates the import tax for 131 products that may now be imported. Some of liberalized products are: automobiles, electrical appliances, chemicals, electronic equipment, lenses, clocks, and toys.

The import tax for most products is still high, between 85 to 105 percent. However, this represents the first step toward the liberalization of foreign trade.

Daily Interviews Foreign Debt Negotiator Chief

PY0405232690 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 May 90 p 7 Economic Section

["Exclusive" interview with Jorio Dauster, Brazilian special ambassador for foreign debt negotiations, by Suely Caldas; date and place not given]

[Caldas] Why did the government create an ambassador's position to deal with the debt?

[Dauster] Provisional Measure 150 established a Government Council of state ministers who work in groups according to areas of interests. The foreign debt team is the first one to be established and includes officials from the Economy and Foreign Ministries. We will work on two fronts. On the internal front we will prepare everything regarding the debt negotiation and will work with the Congress. On the external front we will deal with the foreign debt negotiation itself. This schedule is part of an effort to streamline our foreign debt negotiations.

[Caldas] Do you have anything ready? There is much anticipation in foreign circles to hear Minister Zelia Cardoso de Mello in Washington on 6 May.

[Dauster] For the time being we only have the basic guidelines. Minister Cardoso will talk about them during her meeting with the IMF Interim Committee on 6 May. The important thing is that Brazil will seek to negotiate and will try to avoid confrontations with its creditors. However, Brazil will no longer accept foreign impositions. Our negotiation will be different from past negotiations in one essential aspect: We have already implemented an adjustment program and established the rules for cleaning our own house.

[Caldas] Does it mean that the negotiation will depend on the internal adjustment program?

[Dauster] Correct. In the past the international financing community demanded that we produce enough trade surplus to service the debt. The surplus will, of course, continue to exist, but it will no longer be used just to pay the debt. Presently our internal needs have made that objective impossible because the issuing of money to create liquidity would threaten our inflation control program, it would threaten the success of our internal adjustment program, and it would threaten our capacity to repay the debt. We do not want to return to past practices when hard fought negotiations were abandoned in a matter of days and the government had an irresponsible and unfulfilling image.

[Caldas] How do you intend to change that image?

[Dauster] We will follow the correct path and hold serious talks with creditors. We will begin by talking with the IMF without an inferiority complex or ideological preconceptions. The IMF is an international organization created after the war, responsible for the economic foreign policies of member countries. In the past the IMF was not playing its true role. Brazilian society felt that the IMF imposed its economic guidelines on the country and ruled on our domestic life. It is different now because we implemented the adjustment program before any negotiation could take place and without IMF interference. It is important to tell our society that our negotiations today go from inside out and not the other way around as in the past.

[Caldas] What are we going to tell the IMF?

[Dauster] During the meeting in Washington on 6 May Brazil will announce the basic guidelines that the country will follow in its negotiation of the debt, but we will not say how much we intend to pay this year yet. We are working to determine how much we can pay within the framework of our stabilization program. After we obtain the support of the IMF we will take a series of steps, begin a series of contacts with international organizations, such as the World Bank or the Inter-American Development Bank. We want to invert the present situation, because now we remit more money than we receive. Then we will talk with the Paris Club, with which we have a delinquent account, and only then will we talk with commercial banks, which hold the largest part of our debt.

[Caldas] What will those talks be like?

[Dauster] Brazil wants to reduce its debt principal and their interests but we have to revise the terms under which we have been negotiating up until now. The old strategy was not useful to the country or the creditor banks, who are receiving 20 cents for every dollar of Brazilian debt in the secondary market. The direction of our talks will be to make banks understand that new money should not be used solely to pay interest. A situation of new money is created when there is a positive flow of money, a positive transfer of resources. Today Brazil has to resort to its savings to export capital. We will also say that the country's growth is essential if we want to continue to repay the debt. Sustained Latin American development is the best assurance that countries will pay their credits back.

[Caldas] Are the Brady plan and Mexico's agreement good parameters?

[Dauster] We need something better than Mexico's agreement. The Brady plan is interesting because it implies an admission that the debt cannot be paid. Brazil, however, will submit its own conditions. The impossibility to pay does not mean our debt has to be pardoned. The idea of a pardon must be vehemently rejected, because he who asks for a pardon is admitting his guilt. In this situation debtors and creditors are equally responsible and must share the burden of a solution. In the 1970's we had planeloads of bankers offering dollars to Brazil. If we borrowed more than we could repay it is also because they loaned us more than what they should have.

[Caldas] Is it already decided that our repayment limit will be $5 billion this year.?

[Dauster] The figure is only for reference. The government will send a new budget to Congress in May. Only then will we establish how much we can pay our creditors and maintain our overall public spending in balance. We will tell the IMF, the World Bank, and bankers that if we pay more we will be sentencing our stabilization program to death. We need our savings and some breathing room if we want to continue growing. Otherwise we will be as a drunken man on a slope. He stands up a little to everyone's satisfaction but then he falls again.

Municipalities, States Forbidden To Hire, Fire

PY0405141090 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 4 May 90

[Text] Between 13 May 1990 and 15 March 1991, the municipal and state governments will no longer be able to hire, nominate, or dismiss public employees.

The Supreme Electoral Court [TSE] has decided to implement the (Edelfino Lins) Law that forbids the hiring and dismissing of public servants.

This decision has been made in response to a consultation made by Senator Pompeu de Souza, of the PSDB [Brazilian Social Democratic Party] of the Federal District.

The TSE says that the law does not cover the federal government, which is implementing the administrative reform. According to the TSE, Congress alone has the authority to regulate appointment contracts and dismissals of federal government employees.

Chile

Aylwin, Pinochet Hold Private Meeting

PY0405141490 Santiago Domestic Service in Spanish 1100 GMT 4 May 90

[Text] President Patricio Aylwin and Captain General Augusto Pinochet, the former president and current Army commander, held a 40-minute meeting yesterday. Pinochet made no comment upon his arrival at La Moneda Palace where a large group of people had gathered.

Aylwin and Pinochet held a closed-door meeting and no official information on the issues discussed was released. It was leaked that Aylwin and Pinochet discussed the current political situation.

Journalist Released for Lack of Evidence

PY0405143690 Santiago Domestic Service in Spanish 1100 GMT 4 May 90

[Text] Military prosecutor Major Raul Rosas has notified LA EPOCA journalist Manuel Salazar Salvo that he ordered his release for a lack of evidence. Salazar had been arrested and held incommunicado for 20 hours because of his connection with the public appearance of former DINA [National Intelligence Directorate] agent Liliana Walker Martinez. Salazar was held in the San Miguel Prison, from where he was released at 2145 yesterday.

Shortly before Salazar's release LA EPOCA journalists Juan Rocha and (Alvaro Hoper) left the military prosecutor's office where they were questioned by Maj. Rosas. The two journalists had been summoned by Rosas to be questioned concerning the case of Luisa Monica Lagos, who has admitted she was former DINA agent Liliana Walker and that she was involved in the murder of Orlando Letelier.

Rocha and (Hoper) had closely covered the movements during the past few days by Monica Lagos, including the various addresses where she had stayed. The two journalists were released following questioning.

Pinochet Fails To Attend Luncheon With Aylwin

PY0405184490 Santiago Radio Chilena Network in Spanish 1700 GMT 4 May 90

[Text] President Patricio Aylwin held a working meeting with National Defense Minister Patricio Rojas and with

the Navy, War, Air Force, and Carabineros Under Secretaries at his private office on Amapola Street.

The Defense Minister said that during the meeting they discussed the achievements made by the various Defense Ministry under secretariats.

When asked about the possibility of an official version on the meeting President Aylwin held with General Augusto Pinochet, Minister Rojas said that it was up to the Presidency to decide.

President Aylwin reiterated that the government will not disclose any information on the subjects raised during the meeting he held with Gen. Pinochet.

When asked by journalists about the meeting, President Aylwin said that it was no secret.

[Begin Recording] [Aylwin] No, no official information on the meeting will be disclosed.

[Reporter] [Question indistinct]?

[Aylwin] No, it is no secret. [end recording]

Aylwin made this statement at the end of a ceremony during which he signed a decree at La Moneda Palace creating the Research Commission for Higher Education.

General Augusto Pinochet failed to attend the luncheon President Patricio Aylwin is currently holding with the commanders in chief of the Armed Forces. General Hugo Salas Wenzel, the former director of the dismantled National Information Center, CNI, and the third most senior Army officer is the Army representative at the lunch.

Gen. Salas entered La Moneda Palace through what is known as the bunker [preceding word in English] while Air Force Commander General Fernando Matthei, Navy Commander Admiral Jorge Martinez Busch, and acting Carabineros Director General Gabriel Ormeno, who are also having lunch with Aylwin, arrived through La Moneda's main entrance.

According to information leaked at La Moneda Palace this morning, Gen. Augusto Pinochet yesterday left the meeting with President Aylwin looking very displeased.

Government Closes Economic-Social Council

PY0405223190 Santiago FORTIN MAPOCHO in Spanish 26 Apr 90 p 1

[Summary] The government has closed the Economic and Social Council which was created during the Pinochet administration by Sergio Onofre Jarpa when he was interior minister.

Matthei Says Air Force Subordinated to Aylwin

PY0505040090 Santiago Radio Cooperativa Network in Spanish 2300 GMT 4 May 90

[Italicized passages are recorded]

[Text] General Fernando Matthei, Air Force commander in chief, said the Air Force does not have political opinions. Matthei added that the person in charge of political issues for the Air Force is the defense minister and that the defense minister is subordinated to the president of the Republic. He said: "In these matters we fulfill executive branch dispositions because the government has been freely elected by the Chilean people. They are the government of Chile. We only do our duty. The Armed Forces are disciplined and do not discuss political issues."

The general made these remarks after a luncheon with President Patricio Aylwin, who invited the commanders of the different branches of the Armed Forces and security forces to La Moneda Palace. Asked if the Air Force will cooperate with the Commission for Truth and Reconciliation created by the president, Gen. Matthei said:

[Matthei] *The possibility has never been under discussion. How can you suggest that we will even discuss the matter?*

[Reporter] *Did you express your disposition to cooperate?*

[Matthei] *How can we even talk about cooperating, we just follow executive branch orders. It is a fact, we cannot even discuss the matter. You cannot even ask whether we think differently because it is not appropriate. Otherwise we would constitute an independent Air Force, but that is not the case.*

Matthei also said that the Air Force is not independent, it is subordinated to the executive, the president of the Republic, and the defense minister. Matthei said the Air Force will follow instructions. He also said that one of the topics at the luncheon was the Commission for Truth and Reconciliation. Matthei said it was a political decision of the president, his exclusive prerogative, and that the Air Force wishes it success in its mission.

The only officer who refused to comment was the former director of the National Information Center, CNI, General Hugo Salas, who is General Augusto Pinochet's representative, chief of the General Staff and third in Army seniority.

Navy Commander in Chief Admiral Jorge Martinez said the luncheon with the president was cordial and pleasant. At the end of the luncheon Admiral Martinez said:

[Martinez] *His Excellency had the courtesy of inviting us to a luncheon. It was a very pleasant meeting, I would add; an extremely interesting one. This is an opportunity to reiterate my thanks to the president.*

[Reporter] *Did you discuss the Commission for Truth and Reconciliation?*

[Martinez] *It is my norm not to discuss any political decision and least of all any executive disposition.*

[Reporter] *Did you discuss the issue? What did you talk about then?*

[Martinez] *We talked about topics of general interest.*

Asked if Pinochet has asked the Navy for support to convene the National Security Council, Martinez said:

[Martinez] *I have nothing to say on that topic.*

After this General Martinez cordially told us goodbye.

Minister Reports Aylwin's Foreign Travel Plans

PY0505145490 Santiago Domestic Service in Spanish 1100 GMT 5 May 90

[Excerpt] President Patricio Aylwin will make official visits to Brazil, Peru, Mexico, Venezuela, and Ecuador this year. He will also attend the UN General Assembly in New York in September. This report was released by Foreign Minister Enrique Silva Cimma, who added that Aylwin will visit Brazil in July at the invitation of Brazilian President Fernando Collor de Mello. From Brazil the president will go to Peru to attend the presidential inauguration ceremony on 28 July.

At the end of September, the Chilean president will participate in the UN General Assembly in New York, and then he will follow through on invitations extended by the presidents of Mexico, Venezuela, and Ecuador. [passage omitted]

Unemployment Rate at 5.3 Percent in 1st Quarter

PY0505150690 Santiago Radio Cooperativa Network in Spanish 2300 GMT 5 May 90

[Summary] The unemployment rate in the country during the first quarter of the year, from January to March 1990, reached 5.3 percent, dropping from 6.2 percent in the previous quarter. The fifth region had the highest unemployment rate in the country with 7.5 percent; the second region had the second highest rate with 7 percent; the third region reached 5.4 percent; and the 11th region had the lowest unemployment rate: 1.5 percent. Unemployment in the metropolitan areas was 5.2 percent, dropping from 7.6 percent in the previous quarter.

Commercial Flight Agreement Signed With Mexico

PY0505210890 Santiago LA SEGUNDA in Spanish 20 Apr 90 p 7

[Summary] Transport Minister German Correa today presided over a ceremony in which an agreement on commercial flights was signed by the Chilean and Mexican civil aeronautic directorates. For the first time in Chilean commercial aviation history flights of the national enterprises Lan Chile and Ladeco will make direct and regular flights to Mexico. The Mexican airlines will also regularly fly into Chile.

Possible Nuclear Waste Dump on Border Reported

PY0505215690 Santiago LA TERCERA DE LA HORA in Spanish 24 Apr 90 p 6

[Report by Dora Chipoco Jorquera]

[Text] Iquique—National Resources Minister Luis Alvarado has said that the Chilean Government is concerned about the possible construction of a nuclear waste dump in Argentina, on the border with Chilean Patagonia.

During his visit to Iquique, Alvarado said that the probable consequences of the installation of a nuclear waste dump in a border city for our territory is being analyzed.

He added that if this rumor is confirmed, Chile will not be able to influence the Argentine authorities to prevent the construction of the dump. He pointed out that he trusts the Argentine people will not allow such an installation.

Colombia

Police Director Denies Escobar Gaviria 'Abroad'

PA0405135090 Bogota Radio Cadena Nacional in Spanish 1200 GMT 4 May 90

[Text] Police Director General Miguel Antonio Gomez Padilla has said that Pablo Escobar Gaviria is in Colombia and not abroad as has been reported previously. He said that investigations by security agencies indicate that Escobar Gaviria is somewhere in Colombia, adding that the authorities are undertaking all necessary operations to capture him. Gomez Padilla reported that the police are undertaking joint operations with the Army in the regions where the drug trafficker is presumed to be located and that positive results from these operations may occur at any moment.

Guerrillas Ask M-19 Leader To Mediate Talks

PA0405222690 Hamburg DPA in Spanish 2025 GMT 4 May 90

[Text] Bogota, 4 May (DPA)—The Colombian guerrilla organizations Popular Liberation Army (EPL) and Quintin Lame Commando Group have asked Antonio Navarro Wolff, presidential candidate of the former subversive 19 April Movement (M-19), to mediate with the government faciliating the peace talks, it was learned here today.

According to reports, the Maoist EPL and the pro-indigenous Quintin Lame Group told the political leader that they are ready to demobilize their armed fronts if the negotiations reach a good outcome.

In early March the M-19 signed a peace agreement with the government of President Virgilio Barco Vargas. After 16 years of engaging in guerrilla struggle, the M-19 demobilized and abandoned its weapons to become a political party.

The Simon Bolivar National Guerrilla Coordinating Board (CNGSB), which groups together all the insurgent movements of the country, announced this week that it is willing to talk to the government and proposed that Venezuelan President Carlos Andres Perez and former U.S. President Jimmy Carter lend their services to verify the peace process.

However, Barco Vargas rejected the participation of foreign personalities in the dialogue, alleging that the country's domestic problems must be resolved by the Colombians.

Police Kill Alleged Cartel Finance Director

PA0505000690 Madrid EFE in Spanish 2338 GMT 4 May 90

[Text] Bogota, 4 May (EFE)—A National Police spokesman reported that Oscar Marino Ospina Montoya, allegedly the Medellin Cartel's finance director, and six other persons were killed in Medellin today during a raid by an elite unit of the National Police.

Colonel Carlos Alberto Otarola, police commander in Medellin, 250 km to the northeast of Bogota, explained that an armed conflict took place when the police raided the Budapest Agriculture and Mining Investment Firm, and that the action resulted in seven persons killed and two arrested.

One of the persons killed was Ospina Montoya, who had several pending arrest warrants for allegedly managing the finances of Pablo Escobar Gaviria, the Medellin Cartel's No. 1 man, and of Jose Gonzalo Rodriguez Gacha, or El Mexicano.

El Mexicano also belonged to the Medellin Cartel and was killed in a clash with the police on 15 December 1989.

Army Seizes 12 Tons of Cocaine; 2 Killed

PA0605032090 Bogota Inravision Television Cadena 2 in Spanish 0105 GMT 6 May 90

[Text] Today, special forces of the 7th Brigade and 4th Army Division units dealt one of the most serious blows to drug trafficking since the famous raid of Tranquilandia. A total of 12 tons of processed cocaine ready to be shipped to the United States was found in a warehouse in the Macarena mountain range. During the action, two persons were killed and 17 others were arrested. In addition, four planes and other equipment used for this illegal business were confiscated.

Car Bomb Explodes; No Casualties Reported

PA0605144490 Bogota Radio Cadena Nacional in Spanish 1230 GMT 6 May 90

[Text] Cali—A car bomb exploded at 0445 this morning. The car bomb was activated by terrorists against the Toro Rojo Restaurant and Resort on the Cali-Jamundi road, in the southern part of Valle del Cauca Department. It was reported the terrorist attack took place when some individuals placed a car bomb in front of the tourist center. The report added the strong explosion practically destroyed the resort establishment, causing severe property damage.

No casualties have been reported. So far, the local authorities have not determined the type of vehicle used in the terrorist attack. Approximately 100 kg of dynamite were reportedly used in this morning's terrorist attack.

This is the second dynamite attack to take place in Cali in recent days. On the night of 3 May, a similar attack took place against La Rebaja Drugstore in the Alameda neighborhood. Four people were killed and 30 were wounded in that attack.

Theories Surround Pizarro, Jaramillo Murders

PA0605182790 Bogota Inravision Television Cadena 2 in Spanish 0000 GM 4 May 90

[Text] The judge in charge of the investigation of the murder of Patriotic Union [UP] presidential candidate Bernardo Jaramillo Ossa ruled today that El Zarco [not further identified] is not linked to the case due to a lack of evidence against him.

Many theories exist about the probable masterminds of the assassinations of the UP and the M-19 [19 April Movement] presidential candidates. Here is a report by Pilar Calderon.

[Begin recording] [Calderon] The first theory, supported by the DAS [Administrative Department of Security] and the Directorate of Judicial Police and Investigation, is that Pablo Escobar is behind the murders.

[DAS Director General Oscar Pelaez] There is no doubt about who is responsible for Pizarro's death. His name is Pablo Escobar.

[Calderon] The accusation is based primarily on the testimony of people who have been arrested in connection with Pizarro's murder in various cities in the country. According to them a man named Tyson contacted and paid two hired gunmen who, it has been proved, had known each other for some time and worked together in a chalk factory in Medellin. According to the security corps, Tyson is one of Escobar's trusted men in the capital of Antioquia.

Another theory, published by the newspaper LA PRENSA and supported by other security corps, is that the Jaramillo and Pizarro murders are connected and not only because of the links between the two gunmen. According to intelligence reports quoted by the newspaper, the two crimes were planned in December 1989 on a farm owned by Fidel Castano in Cordoba. The people behind the murders are linked to the extreme rightwing which is comprised of a group of new drug traffickers who are interested in filling the military and

commercial void left in the wake of Gonzalo Rodriguez Gacha's death. The group headed by Castano is reportedly acting independently from Escobar, but not necessarily without his consent.

A third theory has emerged in the investigative circles. This theory suggests a major ultrarightist movement, interested in destabilizing the country and forcing a military showdown, is behind the Pizarro and Jaramillo murders. This movement is supposedly allied with the drug traffickers, but the drug lords are not believed to be behind the killings. The M-19 thinks this version is believable.

[M-19 leader Antonio Navarro Wolff] [Words indistinct] that there may be a serious destabilization plan according to which it it was not only necessary [words indistinct] Bernardo Jaramillo and Carlos Pizarro, but even some of the candidates who are currently running for president.

[Calderon] In view of the link between paramilitary groups sponsored by the rightwing, and this type of [word indistinct] murders, the realization that the murders of three presidential candidates in one campaign cannot be a simple coincidence is beginning to take shape, therefore, a political plan over and above the immediate terrorist objectives of the drug traffickers may be behind the wave of violence wracking the country. [end recording]

Police Director on 1990 Antidrug Operations

PA0605221090 Bogota Radio Ca.'ena Nacional in Spanish 1200 GMT 6 May 90

[Text] Bogota—General Miguel Antonio Gomez Padilla, director of the National Police, told RCN [Radio Cadena Nacional] that during the present year the National Police has arrested 2,096 people involved in drug trafficking.

In addition, Gen. Gomez Padilla said 73 people died in clashes with the public force as a result of the antidrug operations. Moreover, he stated that the police have seized 7,691 kg of cocaine, over 10,000 kg of cocaine paste, and at least 21,000 kg of other drugs. Also, the National Police dismantled 64 drug processing laboratories and destroyed 27 clandestine airstrips in different parts of the country, Gen. Gomez Padilla added.

In conclusion, he said that the National Police has seized over 30 billion pesos in various actions against drug trafficking.

Paraguay

Rodriguez Discusses Corruption, Stroessner

PY0305162890 Asuncion ABC COLOR in Spanish 2 May 90 p 11

["Text" of interview with President General Andres Rodriguez by Juan Irigaray, correspondent of Spanish newspaper EL INDEPENDIENTE, in Asuncion; date not given]

[Excerpts] [Irigaray] Mr. President, there are people in Paraguay who affirm that corruption continues in the government and among public officials. What is your answer to them?

[Rodriguez] Well, I would like to tell them that previously, within the authoritarian and autocratic government, things were done quietly because freedeom of the press, freedom of expression, and freedom of assembly were repressed. Today, however, you know that we have opened the doors and given everybody the opportunity to speak their minds, express their wishes, and hold their meetings. We have granted freedom to the written, oral, and televised press. I believe that press freedom is an element or tool that will put a true stop to corruption.

I cannot say that corruption has been completely eradicated, but I can say that it has been reduced a great deal. There is corruption everywhere in the world. The courts, which have total autonomy and independence, are prosecuting people who have been charged with embezzling state funds. If someone comes under suspicion, we will put him the hands of justice. [passage omitted]

[Irigaray] Do you feel the Colorado Party is giving sufficient support to your government?

[Rodriguez] Yes, I have great confidence in the Colorado Party. We get along very well. It is a government party, it participates in the government. I trust the men of the Colorado party, and also those of other parties, who are conscious of their responsibilities as Paraguayan citizens and who cooperate in a peaceful, orderly, and responsibly way to carry out the this transition to democracy.

[Irigaray] Former President General Alfredo Stroessner recently made some declarations in Brazil. What do you think of these declarations?

[Rodriguez] Well, he ought to fully realize that those declarations are baseless. For nearly 35 years he was in power, managing the country as though it were his personal property. I do not believe those declarations to the London press are true. One can assume that a ruler must have done something in 35 years. Many times, however, doing something might mean undertaking pharaonic projects and, consequently, promoting corruption.

[Irigaray] The Senate vice president has just said that Stroessner's declarations were made because the former president has not been prosecuted as a criminal and

thief. Do you believe that the former president or some members of his family should be prosecuted?

[Rodriguez] Well, I believe that if one is going to press charges, one must have evidence on which to prosecute. One should not talk without evidence to prove what one says.

[Irigaray] Will you be a candidate for the presidential election in 1993?

[Rodriguez] Look, since I was nominated as presidential candidate by the Colorado Party last year, I decided and promised that I will turn the government over to the one who is elected by the people in a free and clean election. I am still going to do so.

Joint Declaration Signed With Argentina

PY0505194090 Asuncion PATRIA in Spanish
5 May 90 pp 8, 9

[Text of joint declaration released in Buenos Aires on 4 May at end of President Andres Rodriguez' visit to Argentina]

[Text] The president of the Republic of Paraguay, Army General Andres Rodriguez, paid a state visit to the Argentine Republic at the invitation of the president of the Argentine Republic, Dr. Carlos Saul Menem, on 3-4 May 1990.

Both presidents expressed their satisfaction over the fruitful dialogue between their governments, as well as their interest in noting the progress made in bilateral relations and in outlining a course of action to further the process of integration between the two peoples. In that regard, they agreed:

1. To reassert that the dedication of the international bridge "San Roque Gonzalez de Santacruz" on 2 April 1990 marked an important step for the physical integration of the two countries. The railroad and road transportation of Paraguayan soybeans over this bridge confirms the relevance of that undertaking, and underlines the importance of an adequate infrastructure and will to cooperate for the development of the subregion.

To likewise ratify the decision to install a single border control system at the new international bridge, thus reaffirming the will of the two governments to further the integration process by making the movement of people, vehicles, and freight easier. The experience of the Binational Working Group, which coordinates work between the foreign ministries of the two countries and which has begun to study the various juridical and operational aspects of the single border control system, can then be applied gradually in other common border crossings such as Clorinda-Falcon Colony and river crossings such as Puerto Fotheringham-Pilar, which will soon be open.

On this date, the two governments sign an agreement regarding the operation and maintenance of the international bridge.

2. The presidents reaffirmed their decision that the Yacyreta binational project is to continue.

Both presidents promise to update the project construction timetable, scheduling its progress according to available financial means and making reasonable investments open to public scrutiny. They also promise to proceed to the administrative reorganization of the binational entity.

The two presidents also expressed their approval of a Bilateral Commission that was created in Yacyreta to oversee and ensure the optimum utilization of the available resources.

3. To highlight the importance of the document submitted to the two governments on 30 April 1990 by the Parana River Joint Commission (COMIP), entitled "Principles and Bases for the Drawing up of a Treaty Regarding the Construction and Exploitation of Corpus Christi" delivered on this occasion by the foreign ministers to the presidents, and which reveals the significant progress made in establishing the technical, legal, and economic-financial aspects of this great binational project.

In this regard, the presidents expressed their decision to build and exploit the Corpus plant under the international bidding system, and have decided to instruct their respective foreign ministries that, based on the COMIP document, they are to conclude negotiations leading to the signing of the Corpus Treaty.

4. To voice their belief that the meeting of the Inter-Governmental Committee to discuss the Paraguay-Paraguay waterway, to be held in Buenos Aires on 7-9 May, will make it possible to draw up a program of concrete actions designed to promote navigation and commerce within the River Plate Basin.

The two presidents reiterated their respective government's unwavering political support to this initiative because they consider it essential to the common objective of regional integration.

5. To voice their satisfaction over the joint research and work carried out to overcome the problems affecting the lower basin of the Pilcomayo River, and encourage the execution of the basic civil engineering project that the two parties may agree on during their meeting to be held in May. For this purpose, they believe a prompt and positive answer from international financial organizations on how they will finance the project will be critical.

6. To ratify their respective governments' interest in the reactivation of the Project for the Full Exploitation of the Pilcomayo River, which they share with Bolivia, and to express their belief that the meeting that the three countries will hold in Buenos Aires on 21-23 May will make it possible to establish the groundwork to begin implementation of a project that, once functioning, will represent a definite solution to the problems posed by the aforementioned basin.

7. To express satisfaction with the results of the recent ministerial meeting in Ixtapa, Mexico, on consumption,

production, and trafficking in narcotics and psychotropic substances—Alliance of the Americas Against Drug Trafficking—and to pledge their governments' intensified joint efforts in this area in keeping with the Convention on the Prevention of Improper Use and Repression of Illegal Trafficking of Narcotics and Psychotropic Substances, signed in Asuncion on 28 November 1989. In this regard, they agreed to maintain contacts through diplomatic channels leading to the creation of the joint commission provided for in this convention, so that the commission may meet for the first time in Asuncion in the second half of 1990.

8. To stress the significance of the respective tariff concessions mutually granted by both countries through Annex I and Annex II to the Agreement on Economic Complementariness and Subregional and Border Integration signed today by the respective foreign ministers.

To note these tariff concessions represent an advance in the area of economic cooperation, which will make possible increased bilateral trade thanks to the efforts of economic sectors in both countries.

9. To acknowledge with satisfaction the proposals made by the Bilateral Commerce Working Group, created within the Economic Affairs Subcommission of the Political and Integration Coordination Commission, as established in the act signed by the mentioned group in Buenos Aires on 20 April 1990. Therefore, and with the main purpose of taking care of a dynamic balance of trade, they decided to order the creation of the aforementioned Economic Affairs Subcommission in order to promote the necessary actions designed to materialize the proposals made in this area.

10. To express their satisfaction over the first meeting to be held in June in Asuncion, Paraguay, by the Permanent Working Group for Subregional and Border Integration that, coordinated by the respective Foreign Ministries, will comprise the Argentine provinces that belong to CRECENEA-littoral [expansion unknown] and Salta, and by the Paraguayan border areas.

11. To urge the Argentine and Paraguayan authorities of the energy-generating sectors to promptly make the necessary efforts to advance in the integration process of this sector according to what is established in the energy integration protocol signed in November 1989.

12. To reaffirm the economic significance for both countries of increasing their trade in hydrocarbons. The need for the appropriate officials from both countries to continue with actions that are now under way to create favorable conditions for increasing the Argentine supply of hydrocarbons to Paraguay is thus reiterated.

13. To emphasize, among the many initiatives designed to promote exchange between the two countries, the negotiation under way between the animal health services from both countries (SENASA, National Service for Animal Health; and SENACSA, Environmental Control Service) to promote the establishment of a single health certificate.

14. To express interest in and emphasize the need for supporting tourist officials from both countries in furthering their joint efforts through bilateral and multilateral programs, especially by giving their full support for the creation of the Fifth Centennial South American Pass, which was proposed by the National Commission for the Fifth Centennial of Paraguay to mark the celebration known as the Merging of Two Worlds. The proposal was made recently by the 10 top South American tourist officials at a meeting of COTASUR, South American Tourist Commission, during the latest tourist congress held in Mar del Plata, Argentina, from 23 to 28 April.

President Menem also informed President Rodriguez intensive work is now under way to remove obstacles to navigation from the Paraguay River in order to promptly begin the river crossing services between Puerto Fotheringham, Argentina and Pilar, Paraguay.

Aware that regional development requires each country of the region to achieve its own development, the Argentine president announced that his government has given a favorable answer to a request by the Paraguayan Government to set up a new port in the district of Zarate (Buenos Aires Province), a port that will be exclusively earmarked for shipping oil, grains, and general cargo are being either exported or imported by Paraguay. To this end, the appropriate measures have been taken to authorize the Paraguayan Government to build a port on a lot purchased by Paraguayan Petroleum, Inc. (Petropar) at km 114 of Las Palmas on the Parana River. The Argentine Government will also submit to the Honorable Congress a draft law covering other aspects related to the construction and operation of this port.

Emphasizing the importance of ensuring regular talks at the highest level, Presidents Menem and Rodriguez decided to hold their next meeting in the city of Asuncion, Paraguay, during the early months of 1991.

Rodriguez Comments on Dam Projects

PY0405225290

[Editorial Report] Asuncion Sistema Nacional de Television in Spanish at 2244 GMT on 4 May 90 carried live coverage of an 11-minute news conference given by President Andres Rodriguez at Silvio Pettirossi airport upon his return from Argentina.

Rodriguez answers questions on the Yacyreta Dam project, saying that the program will only be reorganized administratively and that the strike was not discussed.

He said that the way is clear for Paraguayans residing in Argentina to return.

He gave no no firm date for the proposed Corpus Dam project but said that the project will be handled on a concessionary basis.

Rodriguez said the trip was a complete success and that pending problems were resolved during the trip, but gave no details. He also said the drug issue was discussed and will be part of the joint declaration to be released.

'Thousands' of Workers Stage Labor Day Rally

PY0305174490 Asuncion ABC COLOR in Spanish 2 May 90 p 8

[Excerpt] During a rally held yesterday at the Italia Square, workers expressed the need for social justice and respect for the role of unions. They also demanded an integrated agrarian reform and that the repressive labor laws be repelled. The rally was sponsored by the National Workers Federation (CNT), the United Labor Federation (CUT), and other social organizations that celebrated Labor Day.

During the rally, which was attended by thousands of people, both workers and peasants voiced their disagreements toward the government's economic policy and toward the little interest paid to the country's social sectors.

During a religious service held earlier at the Cristo Rey church, Asuncion Archbishop Monsignor Felipe Santiago Benitez said that some events that have occurred in the country made the workers aware of the situation. He cited the cases of the Yacyreta and Itaipu hydroelectric enterprises. Benitez urged those attending the religious service to strive for the improvement of the workers' standard of living [passage omitted]

Yacyreta Project To Reorganize, Reduce Personnel

PY0305184090 Asuncion ABC COLOR in Spanish 3 May 90 p 8

[Text] The Yacyreta Binational Agency (EBY) decided to offer those employees who chose to resign voluntarily a special compensation that will be higher than that established by the Labor Code. This information was disclosed yesterday by Alcides Jimenez, the Paraguayan director of the binational enterprise.

He said that this offer will expire on 31 May. From 1 June on the indemnity paid to the dismissed employees will be that established by the Labor Code.

The plan seeks to reduce EBY personnel and is part of a plan to reorganize and reduce the EBY administrative structure. It was approved last Friday, 27 April, by the EBY Administrative Council.

The EBY staff, in Argentina as well as in Paraguay, comprises approximately 1,400 employees and, according to what was disclosed, the reduction plan would affect some 400 employees. It has been pointed out that half of those dismissed will be Paraguayan and half will be Argentine.

During its meeting last 27 April, the EBY Administrative Council adopted significant changes in the administrative structure. In fact, the EBY will continue with only four of its 12 departments. It will also preserve some of its support organizations such as its legal department and its general secretariat.

According to Jimenez, the activities of the 12 departments will be covered by the remaining four.

The changes adopted by the EBY Administrative Council, the reorganization of its administrative structure, and the creation of a special commission to investigate cases of corruption within the framework of the project, etc., will become official during the meetings to be held today and tomorrow by Paraguayan President Andres Rodriguez and Argentine President Carlos Saul Menem.

Regarding the special investigative commission, Jimenez stated that it will be formed by representatives of the Economy and Finance, Public Works and Communications, and the Public Works and Services Ministries of the two countries. He said the governments will name the members of the mentioned commission.

The reorganization of the hydroelectric project's schedule, that establishes that the first turbine will become operational in February or March 1993, is another of the great decisions that the EBY administrative body must take in the near future. Everyone is aware that the current schedule is unrealistic. This fact has been publicly acknowledged by EBY directors but they have also stated that the rescheduling will take some time to complete.

First Quarter Economic Statistics Released

PY0305135290 Asuncion ABC COLOR in Spanish 1 May 90 p 11

[Summary] The Central Bank disclosed the following indicators of the country's economic performance in the first quarter of this year:

Accumulated inflation totals 11.3 percent; the public foreign debt has decreased by 12 percent from $2,076,000,000 in December to $1,829,000,000 in March; the net foreign reserves decreased by $58.9 million; and the trade-balance surplus stands at $68.7 million, being the difference between $207.1 million worth of exports and $138.4 million worth of imports.

New Presidential Secretary General Appointed

PY0305160890 Asuncion ULTIMA HORA in Spanish 2 May 90 p 13

[Summary] President Andres Rodriguez appointed Raul Ricardo Sapena Brugada as new presidential secretary general. He replaces Conrado Pappalardo Saldivar who resigned two weeks ago.

Peru

Fujimori Gives More Details on Government Program

PY0405185890 Lima Television Peruana in Spanish 0100 GMT 4 May 90

[Excerpt] Change 90 presidential candidate Alberto Fujimori stated, if elected president, he will call all political parties to work well for the good of the fatherland. He explained, however, during his campaign for the runoff elections, he will not seek any pact with any political organization. He added that if he wins in the runoff election, poverty and terrorism will be fought drastically.

[Begin recording] [Unidentified reporter] If elected, will you call the political parties, Mr. Fujimori?

[Fujimori] Of course. One of the objectives I have mentioned, and this has been one of the messages [not further explained], is to achieve what we have called the social pact for development. It means the participation of all productive sectors of the country, including sectors of the economy and the political forces.

[Reporter] Engineer, do you intend to include cultural or political changes in your program?

[Fujimori] Of course. This is a task and a process that will take some years. We have to be realistic. We must all, and I mean everyone, both politicians and the rest of society, contribute for the development of rural areas, especially in the rural areas [repeats himself].

[Reporter] What do you think of the military agreement that is about to be signed with the U.S. Government?

[Fujimori] I hope that agreement will be limited only to advisory aspects, and will not refer to direct military action. I hope that this agreement will be limited only to advisory aspects.

[Reporter] Regarding terrorist activities, if the Change 90 candidate is elected president, will he engage in a dialogue, for example, with the Tupac Amaru Revolutionary Movement [MRTA]?

[Fujimori] We have already established our position on this. We are not going to establish any dialogue for as long as this strategy of terrorist actions are maintained. I think that if the very roots are fought, we can achieve some progress.

[Reporter] How will this struggle be conducted?

[Fujimori] In accordance with the Constitution.

[Reporter] Will you conduct this antisubversive struggle personally, or will it be conducted by the Interior Ministry, civilians, or the military?

[Fujimori] If we resort to the Constitution, the president of the Republic is, of course, the commander in chief of the Armed Forces. However, the task in itself demands a professional military action. Our Armed Forces, which are an important and essential institution, will have all the necessary support from the Executive Branch.

[Reporter] Do you mean that your interior and defense ministers will be military men?

[Fujimori] Not necessarily.

[Reporter] Do you have the names of some people who will be charged with these ministries?

[Fujimori] We have not yet decided who will be the members of the ministerial cabinet.

[Reporter] What steps will Change 90 take now that we are approaching the runoff election?

[Fujimori] There will be no considerable change in our strategy. We will continue with our messages directly to the people, visiting the large human concentrations with the vehicles that you all know. Of course we will also visit the provinces, and one of the first places we will visit is Tacna, where we want to thank and recognize the support of the people.

[Reporters] Will you also visit Puno, Huanuco, and other Departments? Will you visit Ayacucho where you had a victory?

[Fujimori] Yes, of course.

[Reporter] How much do you intend to spend on your campaign, Engineer?

[Fujimori] Very little. We are going to lease small planes. We are not receiving any donation for this purpose.

[Reporter] Some leaders of United Left, and some of the APRA [American Popular Revolutionary Alliance], claim that Change 90 will not implement a shock treatment. Does this mean that there is some confidence in your program?

[Fujimori] From the very beginning I have said that I am placing my hope, and I maintain this position, in the intelligent decision of the voters. [End recording] [passage omitted]